



# Improve your efficiency and effectiveness with a Fleet Management Plan

A Fleet Management Plan (FMP) is an asset plan, a strategic document that demonstrates the alignment of the fleet to the organisation's objectives, describes how fleet items are managed throughout their lifecycle, identifies funding requirements and importantly documents strategies to move to best practice.

Financial and operational pressures are forever present and seem to be increasing year on year. Fleet Managers must be able to justify the investment required to operate their fleet and to demonstrate that every dollar spent is for the right reason.

By developing a Fleet Management Plan (FMP), the fleet inventory is documented and analysed, key organisational, customer and stakeholder requirements are recorded and any service gaps identified and costed. The drivers for demand are also considered and this provides an important insight into both current and future fleet requirements.

The approach to managing the fleet through its lifecycle is recorded including such matters as procurement, maintenance, operation and disposal. Financial aspects of the fleet, for example, replacement and operating costs, are documented over the long term and details of systems and processes used in managing the fleet are recorded. Risk is present through all stages of fleet operation. From planning and procurement, through operation and disposal. The FMP records key risks and mitigation strategies. Importantly, opportunities for improvement are recorded during the preparation of the FMP providing a basis for implementing and monitoring continuous improvement.

Using an FMP, Fleet Managers are able to demonstrate to those providing funding that the fleet is managed in a structured and methodical manner and that there is a plan to continuously improve efficiency and effectiveness.

## FAQs

**Q. What does a Fleet Management Plan (FMP) look like?**

**A.** Typically an FMP is between 30 and 80 pages, depending on the complexity of the fleet, and provides a broad range of dialogue, analysis, graphs and tables detailing the fleet, how it is managed and strategies to improve fleet operations over time.

**Q. Who is involved in preparing an FMP?**

**A.** To prepare an FMP, 4C Management Solutions works closely with the Fleet Manager, fleet administration staff and key stakeholders to gather necessary information. An FMP is then prepared as a draft for your review and comment before finalisation.

**Q. Why prepare an FMP?**

**A.** There are many reasons to prepare an FMP – for example; to consolidate your approach to managing your fleet, to identify opportunities for improvement, to demonstrate strong management of the fleet and to support applications for funding.

**Q. How often should an FMP be prepared?**

**A.** Most work is in the initial preparation. Once completed the plan should be reviewed annually in line with your organisation's planning and budgeting cycles. This can often be done internally using the plan as a template or alternatively 4C Management Solutions can undertake the revision.



# The industry proven fleet management consultancy

The ownership and operation of a fleet has a significant impact on the operation of a business. An effective well managed fleet supports business objectives. A fleet is often one of the most critical requirements of the organisation and one of the highest costs. Consider the following scenarios and how they might apply to your fleet operation:

## Scenario 1

### Optimum useful life

A fleet of 250 medium trucks has a replacement value of \$50m. The fleet is currently replaced at 8 years at an average cost of \$6.25m per annum. The preparation of the FMP identified optimum replacement cycles had not been assessed. A subsequent review of useful life demonstrated that the optimum replacement age was 11 years. Capital funding is reduced by \$1.7m per annum or 27%

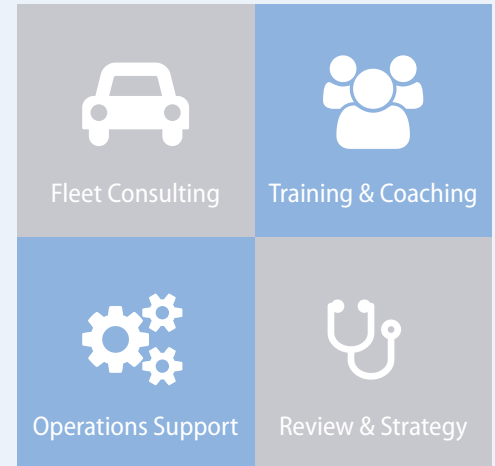
## Scenario 2

### Improved utilisation

A fleet of 150 tool-of-trade passenger cars and light commercial vehicles had an annual operating cost of \$2.25m. Preparing the FMP identified low utilisation of some vehicles and the opportunity to reduce the fleet by 10 vehicles. This leads to a recurrent saving of \$150,000 per annum and released capital of approximately \$250,000

## Scenario 3

Demand analysis identifies an increased requirement for transport in two years. The early identification of this need provides the opportunity to consider alternatives to purchasing additional resources and ultimately led to the establishment of contract arrangements to meet the increased demand.



### Fleet Consulting

Whether you operate a fleet of passenger cars, specialised vehicles, materials handling equipment, plant or trucks, we have extensive resources and experience in vehicle and plant management to assist you with your next; project, improvement initiative, problem resolution or review.

### Fleet Operations Support

We provide a flexible resource and on-call expertise to assist you manage your business. We can help you ensure compliance obligations are met and that the financial and operational benefits of best practice fleet management are realised.

### Fleet Training and Coaching

We specialise in professional development training in the areas of; fleet management, management and transport and logistics. We can provide training materials for delivery by our experienced practitioners or materials for your own delivery.