MAKING A BUSINESS CASE FOR MOTOR POOL AUTOMATION

Being prepared for a change in fleet technology will greatly increase your chances for success!

- Overview
- Making the Business Case
- Return on Investment (ROI)
- Real-World Examples
- Summary

Nothing breaks the cadence in a standard technology purchase than a bunch of unanswered questions.

- Others are relying on you to tell the entire story behind your project... the good and the bad

- In the public sector, for example, your business case will become public record and may come under scrutiny

- Even if you have a compelling business case, other competing interests may derail your plans

- Thoroughly planning your project will have large dividends

Share your goals, anticipate questions and communicate the ROI.

- Managers and other decision makers will need to see good reasons for adopting new technology

- Justifying the cost of purchasing & implementing new technology is a key component in the buying process

MAKING THE BUSINESS CASE

"The last few weeks we have had very high utilizations with some Wednesdays operating in the 85% to 95% range with very few turndowns. My downtown staff told me they would never have had 100% out in a day with the old reservation book." — State of Michigan

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You may not get a second chance to make your case.

Let other decision makers know you've done your homework.

YOUR BUSINESS CASE

1. Proposal Statement

2. Relationship to Organizational Vision

3. Scope / Alternatives

4. Resources

5. Dependencies

6. Measurable Goals, Targets & Outcomes

7. Key Performance Indicators

8. Risks / Barriers

9. Cost / Benefit Analysis

10. Funding / Contract

e.g. statit.com

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Step 1: Provide a clear, concise description of what you recommend

E.g. *"Purchasing this automated fleet solution will provide an efficient and reliable method for:*

1. *Online vehicle scheduling*

2. *Dispatching vehicles & keys*

3. *Data collection, reporting & billing*

The new capability will overcome existing challenges, including:

1. *Overburdened staff*

2. *Too many unused vehicles*

3. *High costs*

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Step 2: Relate this project to higher organizational objectives:

- Your Organizational mission

- Your Organization goals

- Cost-saving or budget goals

- Risk mitigation

- Customer satisfaction initiatives

- External audit (e.g. fleet studies) recommendations

- Efficiency goals

Use terms and styles that your organization recognizes

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Step 3: Clearly identify the "boundaries" of the project

- Relate the project to other, related phases of this project, e.g. buying roadmap

- Reference as many metrics as you can:
  - # of vehicles
  - # of transactions
  - # of vehicle reservations

- Describe process changes anticipated

- Discuss alternatives:
  - People
  - Product
  - Processes

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Step 4: Specify the affected resources before, during, and after the project, including:

- Key individuals on the project

- Affected people / organizations

- Affected / required technology
  - Hardware
  - Software
  - Communications
  - Security

- Support requirements

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Step 5: Identify other projects related to this effort

- Identify benefits of this project to other projects, departments, etc.

- Describe the impact of this project on the organization

- Clearly state any dependencies or needs that exist if this project is not pursued, e.g. additional funding may be needed

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Step 6: Identify Measurable Goals, Targets & Outcomes

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- Expand on your initial proposal statement

- Expand on goals summarized in your proposal statement

- Include timelines / schedules

- Expand on the value created for the organization

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Step 7: Identify Key Performance Indicators

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- Document the baseline KPI measurement (often not available)

- Document the target KPI measurement

- Document the time frame you anticipate achieving your KPI successes

- Associate a specific person that will "own" each KPI

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Step 8: Identify the risks and barriers

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- Identify potential risks... along with actions you will proactively take to mitigate the risk

- Document barriers and any help you may need to overcome these barriers

- Communicate that you've done your homework in advance, anticipated risks and barriers, and have solutions to mitigate those risks.

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Step 9: Show <u>all</u> costs and benefits

- Provide a summary of the project

- Layout capital expenditures by fiscal period

- Estimate the payback period on the investment (e.g. 6 months, 24 months)

- Calculate the return on investment over at least five fiscal cycles (e.g. years)

- Delineate the detailed costs and quantities

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Step 10: Identify a funding/contract vehicle

- Indicate whether this is a budgeted item
  - If so, state amount and budget line item
  - If not, describe how it will be funded

- Indicate whether this is a:
  - Capital Expense
  - Operating Expense

- Break out costs by:
  - Initial / Year 1 costs
  - Annual, recurring costs

- If known, propose a contract vehicle such as:
  - NJPA, GSA, "Riding" on other contracts

RETURN ON INVESTMENT

"FleetCommander's rigorous data collection capability takes the guesswork out of deciding how many vehicles we actually need. Eliminating the extra costs associated with keeping those vehicles will save us a lot of money." — *Louisiana State University Agricultural Center*

Calculating Return on Investment (ROI)

$$\frac{\left(\text{Gain from Investment} - \text{Cost of Investment} \right)}{\text{Cost of Investment}}$$

Calculating *Your* Return on Investment (ROI)

Let Agile help!

- Give us 7 data points and we will prepare custom report based on your data.

- Understand where you can right-size, automate, and save money.

- Request report here.

RETURN ON INVESTMENT

Where are the ROI Savings?

- ✓ Vehicle count reduction

- ✓ Reduction in maintenance depreciation

- ✓ One-time vehicle disposal income

- ✓ Savings in parking, insurance, administrative costs

- ✓ Cost-saving policy enforcement

- ✓ And more!

REAL-WORLD EXAMPLES

"The Kentucky Cabinets for Energy, Environment and Public Protection (EEC PPC) has reduced two original motor pools by 28% through the use of FleetCommander fleet and motor pool software solutions." — Commonwealth of Kentucky

Forsyth County, NC Success Story

- ✓ Eliminated 50 vehicles
- ✓ $300k Year 1 Savings
- ✓ $800k over 5 years
- ✓ Slashed POV expenses by 50%
- ✓ Accountability for all vehicles
- ✓ Automated time consuming fleet management processes such as reservations and key pick up and drop off

Indiana University Success Story

- ✓ Outsourcing motor pool was not successful
- ✓ Customer satisfaction was baselined
- ✓ POV and outside rentals were eliminated
- ✓ Reduced vehicles from 84 to 63
- ✓ Achieved more with less
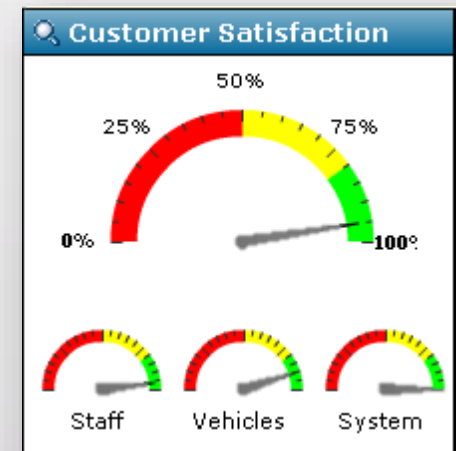
Muscogee Creek Nation Success Story

- ✓ Transitioned from paper-based processes
- ✓ Did not have metrics, desired accountability
- ✓ Needed to track vehicle transfers across functional groups
- ✓ Now has 4 mini-pools
- ✓ Now has POV expense control
- ✓ 500 drivers share 205 vehicles

SUMMARY

"The savings started on day one and we haven't looked back. We grew from five or six shared vehicles to dozens of shared vehicles. The positive feedback from drivers and the bottom-line savings we have realized go beyond expectations." — Greater Toronto Airports Authority

No need to reinvent the wheel when making your business case. Reach out to peers, vendors and others who have "been there and done that."

- You don't need to prepare for technology changes on your own

- Get help from:
  – Peers
  – Vendors
  – NAFA & other professional organizations
  – We can help! Request a custom ROI report based on your fleet here.

Getting the buy-in will be much easier if you quantify your goals, anticipate questions, and consider alternatives in advance.

- Identify what you want to accomplish – early

- Share the vision with affected staff

- Include financial and technical decision makers early

- Sincerely ask for alternatives for achieving your goals

- Keep your collaborators engaged

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✓ Let us help you gather data to make your case:

Request a free, custom ROI report here – based on your data.

✓ Want to educate yourself on motor pool technology?

Schedule a demo with a fleet automation expert here.

✓ Want more information or customer references?

Call us at 408-213-9555 or email us at info@AgileFleet.com.