



Neckermann
Strategic Advisors

Building Customer Satisfaction in a Changed Fleet Environment





EXECUTIVE SUMMARY

If you provide leasing or financing solutions for a vehicle fleet, your world is changing. Just like your customer, you are tasked with remaking yourself into a full-service mobility solutions provider on the one hand, while providing highly-efficient vehicle fleet servicing solutions on the other.

Integrating multiple modes of mobility on the front-end is imperative to remaining relevant. One-third of working-age customers believe that shared and on-demand mobility options may be able to replace their primary car. In response, over 90 percent of fleet managers have implemented or are considering implementing an alternative mobility solution. Corporate mobility-as-a-service is not “future mobility”, but here and now.

At the same time, for vehicles in-fleet, there are significant efficiency gains that must be captured within the vehicle lifecycle. The fleet customer expects perfect execution - and this can only be achieved through data and automation. By integrating fleet management systems deeply with company ERP systems and even third-parties, the mobility manager improves both the customer experience, and the bottom line.

This paper explores mobility management from the perspective of the leasing and financial services provider. You'll learn why multimodal integration is imperative, and how full fleet transparency is key to making businesses run more smoothly, more productively and ultimately, more profitably.

TABLE OF
CONTENTS

Introduction	3
From fleet to mobility:	
Customer requirements changing at the front-end	4
From ownership to usership:	
Vehicle users also expect more	8
Servicing the fleet: The integration imperative	10
One of Many: Integrating APIs into the FMS	12
Lessons in Fleet Leadership: State-of-the-art	13
At the customer's service:	
Self-service or not, data is king	16
Conclusion: Are you prepared to orchestrate modern mobility management?	18



INTRODUCTION

The customer expectations placed on leasing and automotive financial services companies are rapidly evolving with greater connectivity, more access to data, and the addition of new modes of mobility. In turn, the ability to integrate more deeply with customer and third-party systems presents new opportunities to provide fleet operators with time-saving, profitability-enhancing solutions.

Together this means that if you provide leasing or financing solutions for a vehicle fleet, your world is changing. Just like your customer, you are tasked with remaking yourself into a full-service mobility solutions provider on the one hand, while providing highly-efficient vehicle fleet servicing solutions on the other.

Achieving both, while simplifying the experience through deep-integration, self-service solutions, and automation is the biggest opportunity to providing true customer satisfaction in a changed fleet environment. The more integrated your solutions are, the better your ability to serve the customer will be.

FROM FLEET TO MOBILITY: CUSTOMER REQUIREMENTS CHANGING AT THE FRONT-END

92%

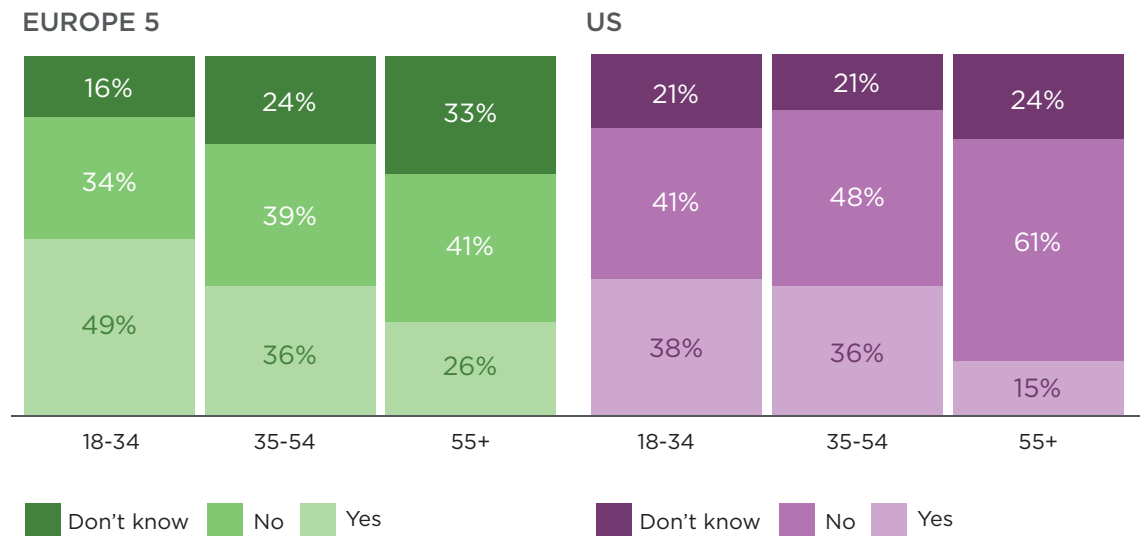
Of fleet managers have already implemented or are considering implementing at least one alternative mobility solution.¹

Customers are demanding new, and more flexible mobility options. In a Deloitte consumer survey across France, Germany, Italy, Spain, UK (“Europe 5”), as well as in the US, **more than a third of those under the age of 54 believed that shared and on-demand options might be able to replace their primary car.**¹ In Europe, even half of respondents under 34 years questioned the need to own a vehicle, given the availability of shared and on-demand mobility options (Figure 1).

In many large cities across Europe, in New York City, and other global megacities such as Tokyo and Singapore, over half of residents already do not own a primary car, opting instead for a mix of public transport, micromobility (bicycles, scooters, and mopeds), and mobility-as-a-service. These **mobility users are lost to traditional leasing and financial-services providers** – unless they offer fully-integrated alternate mobility solutions instead of (not just in addition to) vehicles.

FIGURE 1:

Percentage of customers (by age group) that question the need to own a vehicle, given shared and mobility-on-demand options



Source: Deloitte Future of Automotive Mobility to 2035 consumer survey.

FROM FLEET TO MOBILITY: CUSTOMER REQUIREMENTS CHANGING AT THE FRONT-END

This overwhelming trend is not lost on those who are responsible for corporate and fleet mobility. Of the over 8,000 fleet managers and company executives surveyed by Ipsos in 2024 across over 30 countries and who were aware of alternate mobility solutions, **92% have already implemented, or are considering implementing at least one alternative mobility solution**, including corporate carsharing, ridesharing, bicycles, public transport, or mobility budget.² The top three reasons for this, according to the Arval Mobility Observatory’s Fleet and Mobility Barometer, are talent recruitment or retention, CSR, and employer branding (Figure 2).

FIGURE 2:

Reasons for implementing or considering alternate mobility solutions.

	TOTAL	
	Global	
Because of HR related needs like talent recruitment, retaining employees etc.	41	
	Europe	40
For reasons related to CSR policies	38	
	Europe	40
To improve employer branding / company attractiveness for employees	36	
	Europe	35
To anticipate upcoming regulations	30	↗ 24
	Europe	30 ↗ 24
Because of tax incentives	28	↗ 22
	Europe	28 ↗ 21
To answer specific requests of some employees	27	
	Europe	26 ↗ 26

Source: Arval Mobility Observatory Fleet and Mobility Barometer 2024

FROM FLEET TO MOBILITY: CUSTOMER REQUIREMENTS CHANGING AT THE FRONT-END

Ed Thomas, Head of Public Affairs and Stakeholder Engagement at Motability, by far the UK's largest fleet owner and the largest buyer of mass-market vehicles in the UK, notes, "We are also looking at shared modes for our customers – where multiple customers, such as those who are co-living, could share vehicles." Among Motability's customers, who are disabled or families of the disabled and less likely to use micromobility, there is a desire to embrace mobility-as-a-service. Thomas shared, "We are using data from a select group of our users to trial mobility-as-a-service solutions including carsharing or ridepooling. We could, for example, identify customers who are located close to each other – and enable them to use ridepooling via the Motability app."

Other interviews with fleet managers conducted for this paper echoed this; those whose responsibilities spanned both travel and fleet management were even able to utilize **user movement data to proactively suggest pooling, ridehailing, or even active modes such as walking or biking**, thereby increasing the efficiency, sustainability, and ultimately the productivity of their workforce.

Although many so-called "corporate mobility-as-a-service" solutions are beginning to emerge – most fleet or mobility management solutions are not yet able to fully incorporate and integrate the full suite of mobility solutions under one roof – or into one app.

Far from being just the "future of mobility", the Netflix and Spotify revolution in consumer entertainment has already changed expectations in mobility. **Customers are insisting on greater flexibility and freedom, and so too are fleet and mobility leaders.**



“The key here is to make usage as frictionless as possible for both, the fleet manager or providing company, just as much as for the end user.”

–
Ralf Echtler
CEO of Data Floss

Offering mobility services as an addition to traditional vehicles is no longer enough for captives, lessors, and financial-services companies. It would ignore an entire swath of customers who choose not to own a car. Integrating mobility use into the “fleet” or mobility services system is increasingly important.

It’s clear now that a traditional OEM-captive, or car lessor-lessee model will show severe limitations, given that it simply no longer addresses where the market is headed. For many users, the expectation is now for seamless usage across all modes of mobility. The app is truly replacing the car.

As Ralf Echtler, CEO of Data Floss, a provider of tailored data analysis and solutions for enterprises, told us “The key here is to make usage as frictionless as possible for both, the fleet manager or providing company, just as much as for the end user.”



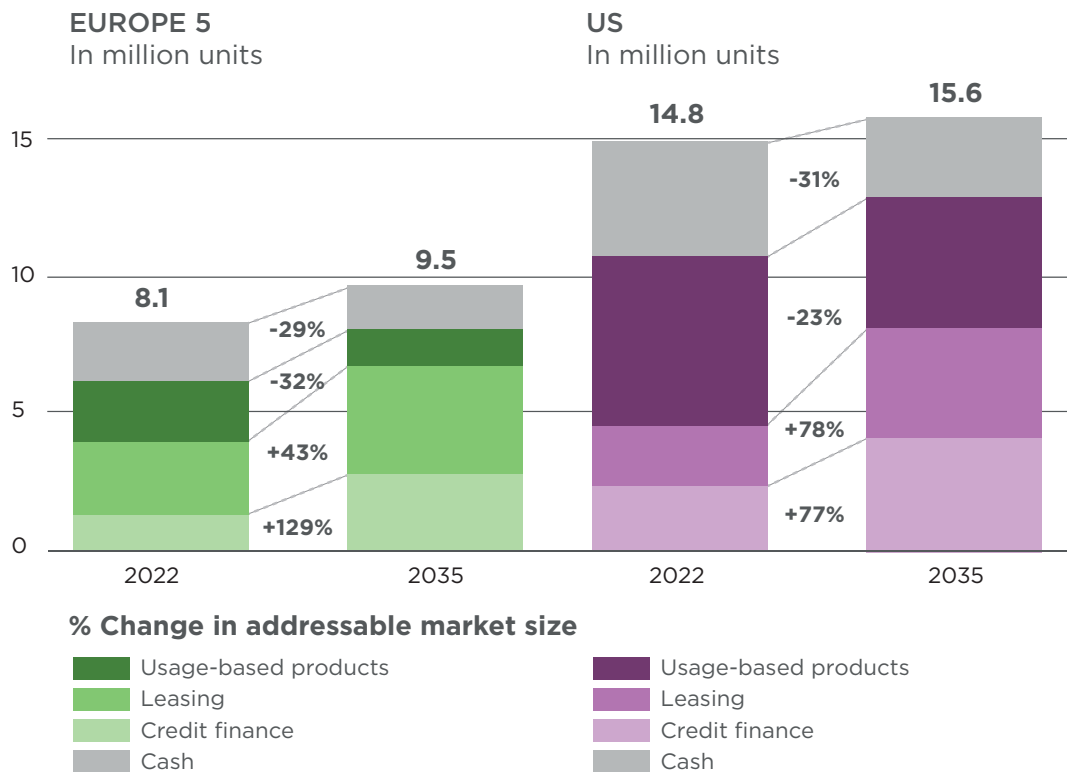
FROM OWNERSHIP TO USERSHIP: VEHICLE USERS ALSO EXPECT MORE



Even for those companies that are committed to providing vehicles to staff – either as service fleets or as perk cars, **acquisition channels and usage models are changing**, too. “Vehicle-as-a-service” and subscription models are emerging that, while similar to traditional full-service leasing, typically provide much greater flexibility.

The Deloitte survey showed over a third of consumers under 54 – both in the US and in Europe – keenly interested in vehicle subscription, rather than outright ownership. Around half of respondents were “somewhat interested” or “very interested” in having a **single payment and point-of-contact for all vehicle-related costs, leading to a projection that sales of “usage-based” vehicle products will increase by 129% in Europe, and 77% in the US** through 2035 (Figure 3).

FIGURE 3:
Projection on the increase of usage-based vehicle sales between 2022 and 2035 (Europe and US)



Source: Deloitte Global Automotive Mobility Market Simulation Tool

FROM OWNERSHIP TO USERSHIP: VEHICLE USERS ALSO EXPECT MORE

Similarly, a multi-year study by consultancy Strategy& has found vehicle subscriptions becoming more and more appealing. From 2022 to 2023, “The preference for subscription increased strongly in Germany and the US in 2023 (27% vs. 14% in Germany and 19% vs. 15% in US).”³ Across Europe, **purchasing has fallen to only 41% of vehicles used**, with leasing, subscription, rental and sharing capturing more and more of the value-pools (Figure 4).

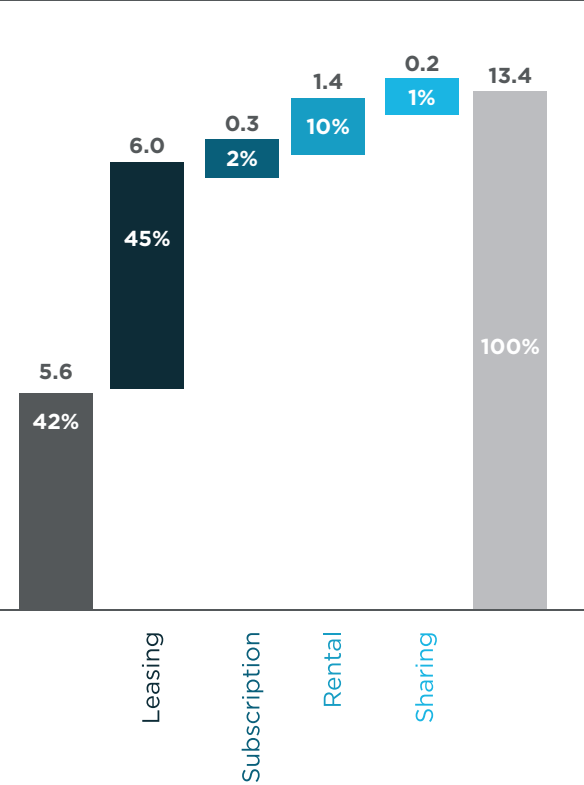
Motability’s Ed Thomas notes, “We are unlike other leasing companies. When there is a sudden change in requirement, we are determined to maintain flexibility for our customers. We will always err on the side of convenience for our customers.”

At Motability and similarly flexible leasing providers, used vehicles that have not served a full tenure with one user may well be maintained, repurposed, and reallocated among other users. To do so effectively and with minimal time-lost between users requires the management of multiple third-party suppliers – seamlessly. Ideally, even automatically.

This – just as the integration of new mobility options – is what companies are demanding of their full-service mobility-on-demand (MoD) provider.

FIGURE 4:
Ownership models of vehicles in 2023 across Europe

Ownership model split 2023 (m units)



Source: Strategy& Digital Auto Report 2023

“When there is a sudden change in requirement, we are determined to maintain flexibility for our customers.”

Ed Thomas

Head of Public Affairs and Stakeholder Engagement, Motability

“Where possible, we automate the processes.”

–
Ashley Barnett,
Head of Fleet
Consultancy,
Lex Autolease

“When it is the right time to replace a vehicle or retire it from service, our systems can automatically transfer the unit to remarketing, process an employee sale, or transfer it to an auction partner, and even remove the vehicle from insurance.”

–
Don Woods,
VP of Analytics
Technology, Holman

Even for the rare fleet manager less impacted by the mobility revolution, fully connected vehicles already changed the job profile a decade ago.

For fleets, the value provided by vehicle geolocation, driver behavior tracking, and routing is meanwhile self-evident. In-line with the overall trend, some 40% of over 8,000 companies surveyed by Ipsos on behalf of Arval’s Mobility Observatory have telematics installed (the larger the company size, the more likely it is to install). As the report suggests, it’s likely that not all are using the data effectively – but if they are not, then the OEMs and insurers are. In Europe, all new vehicles type approved from July of 2024 are required to have a full suite of driver assistance systems, many of which are reliant on connected car technology, and many of which become the basis for activating connected emergency services.⁴

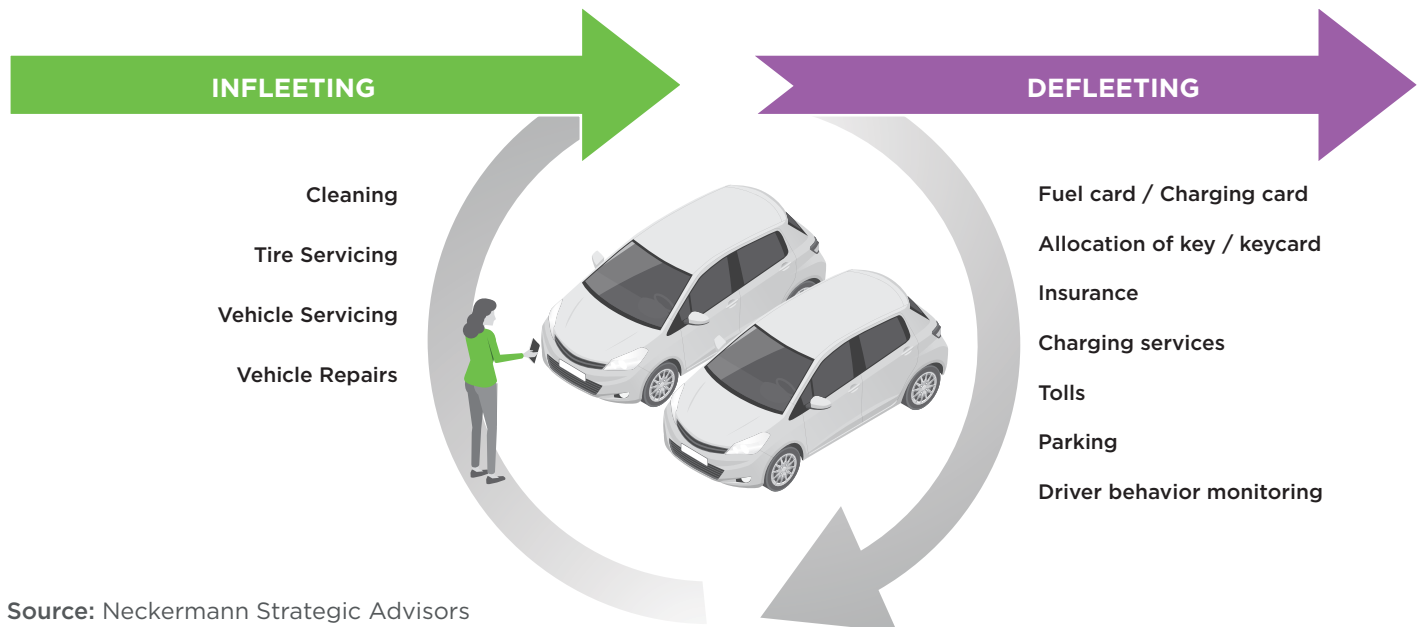
Whether vehicles are connected from the factory, or via telematics, they will share data with a fleet management system. Connected vehicle data already provides the basis for proactively scheduling vehicle maintenance and servicing, as well as end-of-term exchange and defleeting. Here, **the fleet customer rightly expects perfect execution.**

Ashley Barnett, Head of Fleet Consultancy at Lex Autolease in the UK, notes, “Where possible, we automate the processes.” From quote, to order, to spec-up [it can all work] with very little customer interaction. Customer approvals are managed by the system. The driver sees what they are entitled to see, and even the fleet manager has very little interaction.”

SERVICING THE FLEET: THE INTEGRATION IMPERATIVE

FIGURE 5:

SOURCING | REGISTRATION | UPFITTING | TRANSPORTATION AND DELIVERY | VALUATION | RECONDITIONING | REMARKETING



Source: Neckermann Strategic Advisors

But mastering the full suite of activities to enable such automation requires much greater levels of integration. The challenge for fleets, their lessors and financial-service partner is about **fully integrating the entire value chain of vehicle usership with suppliers including upfitters, insurance, maintenance, and remarketing agencies** (Figure 5). Infleeting and defleeting various assets – used and new trucks, vans, cars, e-bikes and more – and from multiple sources, demands integration with sometimes dozens of third-party systems.

Each individual integration may take months of IT effort (see our feature on the following page, “One of Many”), but each integration improves the efficiency of the business. Incorporating public registration, taxation, insurance and user-integration requirements into the system each poses unique challenges.

The insights from fleet management leader Holman – a global full-services fleet management and automotive services provider with more than 2 million vehicles under management – illustrates a benchmark solution on how fleet management can fully integrate with corporate ERP systems, as well as third-party suppliers to create a seamless experience – for both drivers and the companies they work for (page 13).

ONE OF MANY

JUST THE INTEGRATION OF ONE API INTO A FLEET MANAGEMENT SYSTEM REQUIRES MANY STEPS:

1. **API Discovery and Evaluation:** Identify a partner API that offers the functionalities and data your fleet management system requires. Evaluate API documentation quality, reliability, security, and compliance with industry standards.
2. **Authentication and Authorization:** Understand the authentication mechanisms required by the API. This could involve obtaining API keys, OAuth tokens, or other forms of authentication credentials. Implement the necessary authentication logic to securely access the API.
3. **Data Mapping and Translation:** Analyze the data formats and structures used by both the fleet management system and the insurance API. Map the fields and data elements between the two systems, ensuring compatibility and consistency.
4. **Error Handling Logic:** Develop robust error handling mechanisms to handle errors and exceptions that may occur during API interactions in a user-centric way.
5. **Data Synchronization and Updates:** Determine the frequency and method of data synchronization between the fleet management system and the provider's API. Implement mechanisms to synchronize relevant data such as vehicle information, driver details, contractual details. In the case of an insurance partner, consider claims and policy data.
6. **Compliance and Regulatory Requirements:** Ensure compliance with relevant regulatory requirements and data protection laws when integrating. Implement measures to protect sensitive data and ensure privacy and security.
7. **Testing and Quality Assurance:** Thoroughly test the integration to identify and address any issues or discrepancies. Conduct functional, integration, and performance testing to validate the reliability and accuracy of the connection.
8. **Documentation and Support:** Document the integration process, including API usage guidelines, troubleshooting procedures, and any customizations or configurations. Provide support resources and documentation to assist users in understanding and utilizing the integrated functionality.
9. **Monitoring and Maintenance:** Establish monitoring tools and processes to monitor the health and performance of the integration. Proactively monitor for errors, latency issues, and other anomalies, and perform regular maintenance to address any issues and ensure ongoing reliability and performance.

LESSONS IN FLEET LEADERSHIP

STATE-OF-THE-ART, FULLY INTEGRATED, AND HIGHLY AUTOMATED FLEET SERVICES AT HOLMAN:

As Don Woods, Vice President of Analytics at Holman shared, “We do a lot of integrations directly with our customers and manage a lot of fleets.” For those fleets that have a robust technology platform, according to Woods, “we are able to integrate directly into APIs with the organization’s ERP systems. This means, wherever there are changes and actions- whether it be new drivers or new vehicles – these are automated and simplified for our customers.”

Some of the services that can be fully automated, based on pre-configured trigger events include:

- Approvals within ERP systems at the customer site (various approval levels)
- Placing and tracking standard vehicle orders
- Registration of the new vehicle with the DMV
- Setting up drivers on safety programs
- Fuel card issuance

“The systems are smart enough to know when there is a delay. When a manufacturer informs us of a delay, the system can then reallocate vehicles, perhaps from a pool of reserves or from another area of the fleet.”

Beyond this, Woods added, “We have sophisticated analytics based on our experience, where we can estimate delivery dates fairly accurately, based on where it is coming from, even delays at DMVs” to evaluate in-service times, even beyond delivery.

The automation continues throughout the life of the vehicle. “When it is the right time to replace a vehicle or retire it from service, our systems can automatically transfer the unit to remarketing, process an employee sale, or transfer it to an auction partners, and even remove the vehicle from insurance.”

In other words – the most sophisticated, data-rich fleet management systems are able to anticipate and automatically carry-out actions at every step of the vehicle lifecycle, based on multiple real-time data sources.

SERVICING THE FLEET: THE INTEGRATION IMPERATIVE

In addition to the traffic and road-quality data collected by outward-facing cameras, in-car cameras offer a valuable stream of information crucial for monitoring driver behavior. These cameras not only enhance safety by capturing incidents and promoting responsible driving practices but also enable advanced analytics for optimizing fleet operations.

Already, as Reuters reports, “A heating and cooling repair company in Tulsa, Oklahoma, is getting ready to install driver monitoring cameras in some of its trucks, and already uses streamed data to remind drivers not to sit too long in idle vehicles.”⁵ The drivers receive automated text messages to urge them to turn off their trucks.

Such systems are already commonplace among premium brands (Mercedes has several inward facing cameras); now mainstream brands are following suit. Mitsubishi’s “thermal camera can track biometric information to provide insight into short- and long-term changes to a driver’s physical status, triggering autonomous pullovers and alerts to emergency services if necessary.”⁶

In carsharing applications, they can play a pivotal role in maintaining cleanliness and hygiene standards, by facilitating real-time monitoring for scheduling cleaning services based on passenger turnover rates and actual, observed dirt.

“Real-time data from the vehicle such as door status, fuel and battery level, as well as tire pressure have had a profound impact on optimizing fleet operations in car sharing,” says Olof Holmgren, General Manager of KINTO Share/Flex in Sweden.

The responsibility that fleet management has over safety-by-software also extends to software-defined-vehicles. 40% or respondents in a Wards Automotive Intelligence survey expect OEMs to integrate mature over-the-air (OTA) updates by 2027.⁷ As OTA updates become more commonplace for vehicles, there will become **an expectation for the fleet management system to manage the current update levels of each vehicle** – not least, for the insurance provided for certain autonomous driving functions.



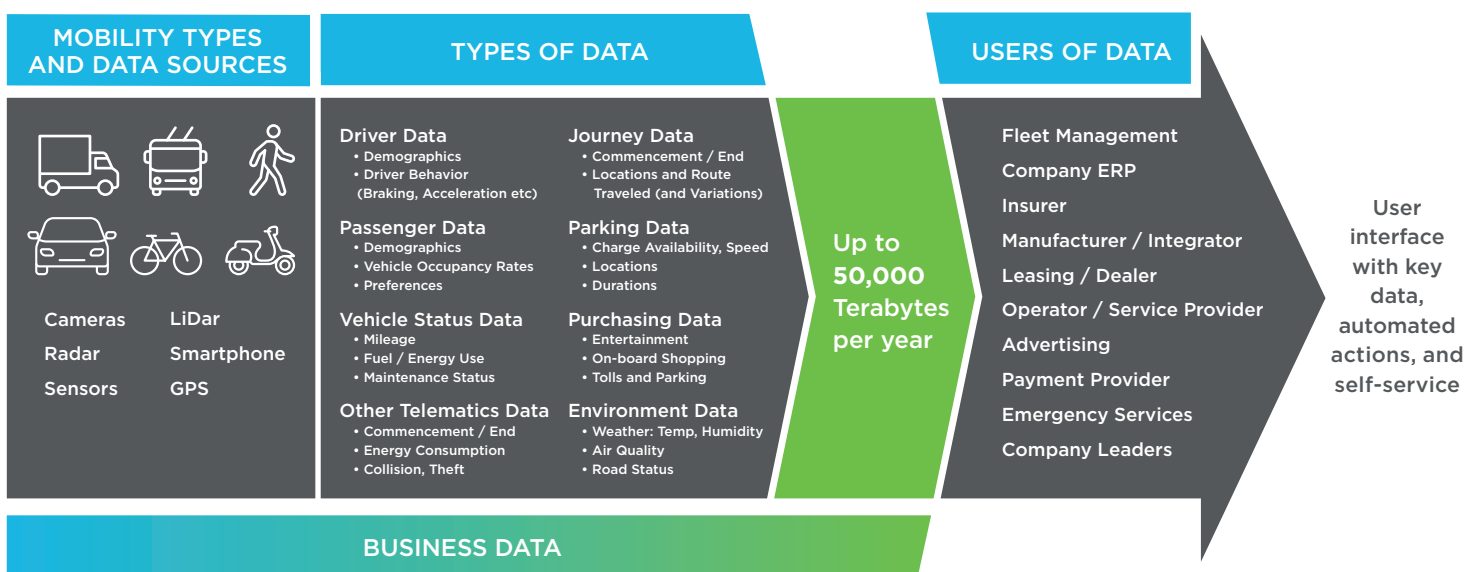
SERVICING THE FLEET: THE INTEGRATION IMPERATIVE

Each of these functionalities requires sophisticated integrations for fleet management systems. It's conceivable that even more sophisticated solutions could **proactively extract data from other external sources** – such as national economic projections, retail data, or a company's order systems – to automatically estimate (via AI) and fulfill the need for fleet vehicles in the short-, mid- and longer-term.

Thinking even further ahead, vehicle and fleet data will only be a (small) part of the data puzzle for a mobility manager. The flood of data from all telematics, cameras, smartphones, LiDAR and many vehicle types – even just within mobility – is estimated to reach over 50,000 terabytes per year (Figure 6). Data will be distributed not just within the company and its supplier partners, but beyond as well. Already, as the New York Times reported, “Car companies are collecting information directly from internet-connected vehicles for use by the insurance industry.”⁸

For fleets, the question is not, if data is shared, but by (and to) which systems. Any captive or leasing company's system that isn't able to capture, analyze, and correspond with multiple third-party systems is simply not up-to-task for modern mobility management.

FIGURE 6:



Source: Neckermann Strategic Advisors

AT THE CUSTOMER'S SERVICE: SELF-SERVICE OR NOT, DATA IS KING

Today's fleet management, in many cases, still begins and ends with an interface to the lessor, captive, or financing company – whether it's on-screen with an app, or face-to-face with an account manager. And here, the **data needs to be consistent and available to all who require it.**

Greg Raven, Director of Customer Experience at Holman, notes that the requirements of the fleet all “start with getting the resources, functionality, and support to the individual who has the need. As an example, that can be a mobile app for drivers or managers in the field, which streamlines common tasks such as ordering a new vehicle while also delivering proactive status updates. It could also be providing resources such as maintenance assistance or customer support. But it doesn't end there. It often extends well beyond as we deliver multi-faceted resources and support that's tailored to the needs of each customer.”

At Lex Autolease and Lloyds Banking Group, who manage over 1.2 million vehicles across three business models in the UK, account management is still essential – especially for corporate and light-commercial-vehicle (LCV, or van) fleets. Ashley Barnett tells us, “Corporate customers with large fleets of vans tend to require more individualized support, due to the needs of the business. This is where our customer support teams come in.” Especially as fleets are moving electric, consultancy proves essential. “In many cases we may even be challenging the customer, ‘is this still the right vehicle?’ or asking ‘Is there an opportunity for electric? For a smaller van?’”

In turn, Stuart Donnelly, former Senior Director at Sixt Group and now President of Mobility at The Miles Consultancy, suggests that customers prefer the 24/7 availability of self-service over the five-day-a-week account manager: “Self-service, online capabilities, for everything from vehicle quotations, ordering, driver, service, maintenance, and repair and reporting have long since been available for customers, large and small. The majority of these activities are provided to reduce the level of customer service interaction needed between the customer, driver and leasing company.”

"A tool or data in a silo doesn't mean anything."

—
Ralf Echtler,
CEO, Data Floss

Ensuring that the data available to a driver, a fleet manager, a lessor, and a third-party is identical, but also only distributed as permitted, requires a fully-integrated, robust system.

Whether self-service or via account manager, what's essential is for the fleet management system is also able to manage a fully integrated mobility and vehicle lifecycle, and to provide **transparency of information**. Ralf Echtler notes, "The key is giving an added value, as a tool or just data itself doesn't necessarily mean anything to the customer."

The fleet and mobility customer expects more from their system. It must... enable or act on business insights from a multitude of sources.

Whether it's Kaizen⁹, or Lean Six Sigma¹⁰, full system transparency has been key to making businesses run more smoothly, more productively and ultimately, more profitably. Where a user's mobility needs, fleet movements, and business processes are transparent to leadership, enhanced productivity, efficiency, and profitability is the result.

Additionally, transparency fosters accountability among drivers, promotes safer driving practices and minimizes risks associated with crashes and insurance claims. Ultimately, **empowered with complete transparency, businesses can make data-driven decisions, streamline operations, and unlock new opportunities for growth and profitability.**

Within fleet and mobility management, this can only be possible when single points of failure (such as localized data-stores, or individual account manager responsibilities) are mitigated.



CONCLUSION: ARE YOU PREPARED TO ORCHESTRATE MODERN MOBILITY MANAGEMENT?

The fleet and mobility customer expects more of their mobility and fleet management system; multiple systems must be bridged in order to provide – and where possible, act on – business insights from a multitude of sources.

Integrating short- and medium- term-rentals, a rise in subscription services – alongside ridesharing, ridepooling, carsharing, e-bikes and e-scooters into vehicle fleets, electric vehicle charging solutions, and even autonomous shuttles – poses a significant challenge well beyond just building a shiny front-end solution.

The data you gather and manage becomes the basis for the business insights that your system can provide.



SOURCE

¹ Deloitte Future of Automotive Mobility to 2035 consumer survey, January 2023

² Arval Mobility Observatory Fleet and Mobility Barometer 2024, conducted by Ipsos

³ Strategy& Digital Auto Report 2023

⁴ European Commission. <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32019R2144>

⁵ White, Joseph, "Ford has big goals for software sales to small business truck fleets", Reuters March 14, 2024

⁶ Joseph Szerny, "Mitsubishi, TomTom combine on cockpit that monitors driver, traffic", Wards Auto February 29, 2024. Retrieved from: <https://www.wardsauto.com/industry-news/mitsubishi-tomtom-combine-cockpit-monitors-driver-traffic>

⁷ White, Joseph, "Ford has big goals for software sales to small business truck fleets", Reuters March 14, 2024

⁸ Kashmir Hill, "Automakers are sharing consumers driving behavior with insurance companies", New York Times March 11, 2024. Retrieved from: <https://www.nytimes.com/2024/03/11/technology/carmakers-driver-tracking-insurance.html>

⁹ Kaizen: a business optimization principle designed to continually optimize and refine processes at ever stage, function, and level of an organization. Most notably, this was championed by Toyota within the automotive industry. Directly translated from Japanese, Kaizen means "change for the better".

¹⁰ Lean Six Sigma: another business management approach, whereby waste, errors, and process steps are reduced, usually by transparently identifying, evaluating, reengineering (or eliminating) steps in a process-chain. The concept was first brought into manufacturing processes by GE, and is now widely used throughout both manufacturing and service businesses of all sizes. Both Lean Six Sigma and Kaizen strive for – and require – high degrees of transparency.

All quoted interviews used in this paper were conducted by Lukas Neckermann in March to April 2024



Neckermann
Strategic Advisors

RIDECELL