



PRESS RELEASE

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FSG'S COST FOCUS SAVES COMPANIES THOUSANDS OF POUNDS IN VEHICLE MAINTENANCE COSTS

Tight service maintenance and repair controls alongside a zero tolerance attitude to unauthorised expenditure is essential if businesses are to keep budgets in check, which is how Fleet Support Group has generated massive savings for its clients.

An analysis by FSG, Britain's largest independent fleet management company with 55,000 company cars, vans and trucks on its books, reveals that:

- Pence per mile operating costs on the Home Retail Group company car fleet are today identical to 1995 at 2.23p with the average maintenance costs per vehicle down by a massive £83 a year. Taking inflation at 2.5% per annum into account it equates to a total saving last year of £344,331 in maintenance costs on the 981-strong fleet.
- At Office Depot the average maintenance cost per company car over a seven-year period has reduced by £15 per vehicle. Taking inflation into account that equates to savings last year of £47,640 across the 397-vehicle fleet.
- At Travis Perkins if inflation of 2.5% per annum is taken into account, the average maintenance cost per vehicle has been slashed by £188 (20%) delivering a saving last year of £249,476 on the 1,327-strong company car fleet.

Fleet Support Group Chairman Geoffrey Bray said: "Pence per mile figures are the most accurate mechanism for monitoring individual vehicle costs.

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"The key to reducing fleet operating costs is driver management so it is vital that ourselves and our customers use fleet maintenance data to manage employees. Many clients have achieved dramatic cost reductions by using data in a more proactive way."

FSG uses a range of key performance indicators and a 'traffic light' fleet management monthly report format to easily help customers focus on key issues in a bid to cut operating costs.

Topics flagged 'red' are deemed by FSG to require urgent attention; those marked 'amber' require monitoring or action; and those marked 'green' are shown to be satisfactory or on target.

"Some companies can get bogged down in reams of management reports and, as a result, pay little attention to the information contained within. So we believe that our traffic light reporting system is a simple mechanism for drawing decision-makers' attention to important action areas," said Mr Bray.

"We are practising what we preach: that cost management is key. But we are delivering our verdicts in a straightforward, easy-to-understand format."

FSG uses its own independent network of approved Masterserve garages for the majority of vehicle SMR work with job authorisation and invoices being tightly managed by an expert team of trained mechanics at the company's Chippenham headquarters. FSG has instigated a fixed price maintenance policy to aid budgeting and eliminate any nasty cost surprises.

"We have been able to manage costs down for our customers because of the processes and systems we have in place. As a result we have been able to reduce maintenance costs in real terms for customers," said Mr Bray.

Peter Weston, Transport Manager at Home Retail Group, the parent company of Argos and Homebase, said: "It is amazing that our pence per mile figures are identical to 15 years ago.

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"Working with FSG we are totally confident that the company is spending our money as though it was their money and is constantly monitoring every penny to ensure value for money."

In fact Home Retail Group is so pleased with the service that it receives from FSG that it was one of the reasons behind the company's recent decision to change the funding and management arrangements on the 500-strong Homebase fleet, which historically has been leased.

Management has decided to outright purchase Homebase vehicles and outsource the maintenance work to FSG thereby replicating the way the 800-strong Argos company car fleet is run as it has been outright purchased for many years with maintenance management undertaken by FSG.

Mr Weston added: "We have a very varied fleet across 17 manufacturers with cars ranging from two-seaters to directors' prestige cars so it is far from easy to keep maintenance costs in check, but FSG is succeeding to do just that."

Freddie Watts, Fleet and Transport Contracts Manager at Office Depot, a leading global supplier of office products and solutions, said: "We always strive to keep a cap on maintenance costs where we can.

"We encourage FSG to challenge the spend on our vehicles and feedback information on any unnecessary costs, particularly those which are due to driver negligence."

"It isn't always necessary to spend huge amounts of time delving into reams of data. The fact that FSG delivers to me a monthly 'flash' report that identifies maintenance costs on a pence per mile basis against the average age and mileage of the fleet gives me a very convenient and effective snapshot view of where we stand."

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Travis Perkins, a leading supplier to the UK building and construction industry, has been an FSG maintenance management customer for more than 17 years.

Graham Bellman, Group Head of Transport, Travis Perkins, said: "The foundations of our partnership are trust and good business practices. The open book approach means that Travis Perkins does not encounter any hidden charges.

"We have seen a significant reduction in vehicle maintenance costs. The savings are attributable to the rigorous controls and management checks undertaken by FSG to ensure value for money is obtained coupled with ensuring we operate the 'right' vehicles."

EDITOR'S NOTES

Fleet Support Group (FSG) is the largest independent vehicle management company in the UK and looks after approximately 50,000 vehicles.

The well-established organisation based in Chippenham, Wiltshire, has gained an enviable reputation within the industry by continually concentrating on delivering a consistent, quality service embracing full vehicle acquisition and disposal, vehicle outsourcing, fleet management, risk management and work-related road safety, maintenance management, accident management, breakdown recovery, short-term car rental and truck management.

Within the FSG team, there is significant industry experience and qualifications across the range of services provided. This in turn is supported by an in-house IT operation which is continuously upgrading the internal systems and applications to ensure that, by innovation and product development, FSG leads the field in the provision of vehicle management.

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