

Fleet 2020 report

More questions than answers



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A new report from Professor Peter Cooke, KPMG Professor of Automotive Management at the University of Buckingham, England, looks ahead ten years. It considers company vehicles in the year 2020 and lists the questions fleet operators should be asking now to prepare the best strategy. The checklists provide a vital framework for shaping fleet policy.

The report makes essential reading for anyone setting strategies that involve cars and vans used on company business. It examines the many influences that will affect organisations, their employees, vehicles they use and how they use them. Fleet Europe was invited to discuss the report and its findings with Professor Cooke.

Sitting next to Professor Peter Cooke over a buffet lunch at his English university, I am reminded of a conversation many years ago with a senior executive who had just fired his finance director. "Oh yes, he had all the answers," the executive told me. "He just asked the wrong bloody questions!" Professor Cooke's latest report, Fleet 2020 – business car or business mobility? is designed to prevent you making the same mistake as the fallen finance director. It will help you ask the right questions. I must admit to feeling slightly disappointed by the report at first. I had imagined that it would be a priceless crystal ball, clearing the mists of uncertainty to provide a window to the future. I must now admit to feeling slightly stupid to have hoped for that.

Strategic topics

Professor Cooke put me right: "The report doesn't provide the definitive answers to questions about fleet in ten years' time. It aims to raise the strategic issues to help start a debate. In fact, its first question is 'what questions need to be considered?'"

Professor Cooke has hammered that little key at the bottom-right of his keyboard – the questionmark – a lot during the typing of his report. There is also a liberal sprinkling of

the words 'may' and 'could' where I wanted 'will'. But the author is unapologetic.

"The objective of the report was to present a medium- and long-term view of the issues and provide a foundation for a debate," he told me. "It would be arrogant and unrealistic to present clear cut answers. It's more important to highlight the questions. Go away and read the full report and then let me know how useful you think it is."

So that's what I did, a mere 35 A4 pages of open-spaced type, with clear diagrams and those all-important checklists. For me, this is the perfect length report. It can be digested over breakfast, as long as you have two pots of coffee. I've read longer executive summaries! Professor Cooke's executive summary is just one page and like the blurb on the back of a crime novel, it doesn't reveal the killer. But then neither does the report.

Professor Cooke has researched the development of the business vehicle industry for more than 40 years and draws on his huge experience as well as a formidable archive of data. He also has access to the very best current data – the many reports and surveys of the modern fleet industry help to shape his thinking. He's one smart Cookey.

The 2020 report from Professor Cooke lists the necessary questions fleet operators should be asking to prepare the best strategy in the future.



Part of his work at the University of Buckingham is to preside over the Buckingham Automotive Forum – regular gatherings of up to 50 senior executives from leasing companies and fleet support companies. These executives played a key role in the methodology behind the report.

The Buckingham Automotive Forum was presented with earlier research findings from groups of customers of LeasePlan. LeasePlan commissioned the entire report but played no part in its creation other than providing a broad

Capital will be harder to access. Banks will be less willing to lend than they have been in the past, says the report, and the money they do lend will be more tightly controlled.

Greater transparency of transactions will be demanded and as we continue through a period of economic volatility and risk, banks and companies will be more risk averse. No wonder then, that there aren't lots of answers here.

The report goes on to look at the drivers for change and when I asked him over lunch to single out the most signifi-

“ Looking at the drivers for change Professor Cooke points out tax as the most significant one. He believes the concept of benefit-in-kind, as applied to a company car, will change. ”

cross-section of customers, including procurement professionals and finance directors, for the consultations.

By the end of last year, the views, opinions, hopes, fears and ideas of 100 people with a professional interest in the issues were brought together and analysed alongside Professor Cooke's detailed desk research.

Professor Cooke believes this combination of reviews, surveys, disciplined reports and short- to medium-term predictions, combined with the foresight and vision of industry executives and practitioners has created something unique to help us look further ahead. As he says: “The past may not necessarily be the best guide to the future.”

Tax as a driver

So, let's look at the findings of the report and I'll try to stick to the word 'will'.

cant, Professor Cooke said tax. He believes the concept of benefit-in-kind, as applied to a company car, will change, certainly in the UK. He can see a situation where there will be zero, or even negative financial benefit (that'll be a penalty, then) from the provision of a company car.

“Essentially, the perk of a company car is expected to be severely restricted and vehicles become working tools... cars may no longer be allocated to individuals but provided through internal or external daily rental services.” It's the return of the pool car. No report on the future of fleet could be complete without a few references to CO₂ and footprints of the carbon variety and Professor Cooke doesn't disappoint. Reduced vehicle usage is a great way of cutting your carbon emissions and the report looks at the many ways this can be

The LeasePlan connection

Professor Cooke's report was commissioned by LeasePlan UK and is available at: www.leaseplan.co.uk. A range of fleet publications from the University of Buckingham can be seen at (type it carefully):

<http://www.buckingham.ac.uk/business/expertise/cam/publications.html>.

Matt Dyer, commercial director of LeasePlan UK, explains his company's motive: “LeasePlan is a thought leader and the company felt there was a need for an academic view on the challenges we all face. We commissioned the report with an open mind. There may be only two whole fleet replacement cycles before 2020, so we feel it's important to look at the impact on our customers now.”

Adam Wigginton, head of consultancy services at LeasePlan, added: “For us, the report is one way in which we're looking, through our consultancy services team, to help our clients direct their planning efforts over the coming years.”



Matt Dyer, LeasePlan UK.

achieved: telematics, more efficient communication, restructuring of employee locations. Then there are the opportunities from alternative fuels and ever-smaller cars.

But it all has to be tempered with the down sides. The price of not conducting face-to-face meetings, the privacy issues of telematics and the worry over resale values of whacky-engined cars are all acknowledged.

And it's these points that bring Professor Cooke to the issue in his report's title, 'business mobility'. Today the car is

intrinsic to personal business mobility but at a level that many indicators suggest is not sustainable. We will need to find better ways of moving about.

Is there anything new in the report? I suspect not, but I'd argue that its real value is that it is greater than the sum of its parts. It pulls together all the messages from a dozen magazine articles into one document, without my weak jokes, with the credibility of one of Europe's foremost automotive thinkers.