

PRESS RELEASE

Businesses Get On Board With Car Sharing

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What if you could have a virtual fleet? A fleet that is there whenever you need it, but you pay for it only when you use it? A classic user-pays system that eliminates all the normal administration and asset management issues with running a fleet. Well, it's available, and it's called car sharing.

Tristan Sender, chief executive of GoGet Carshare, says the top three reasons people choose car sharing are convenience, cost and sustainability. This applies to business customers as well. GoGet has had a huge increase in the number of business customers using its service and it is one of the fastest-growing areas for the company.

"For businesses it's all about using your assets as efficiently as possible" Sender says. "Businesses use us so they don't have to pay for all of the fixed costs of owning vehicles, and GoGet allows the flexibility for organisations to scale up or down to match their needs."

"For example, this means if you need 10 cars on a Monday and two on a Tuesday you don't have to pay for 10 fixed assets and all of their associated costs, such as parking and insurance, just to cover the Monday. With our system businesses only pay for what they use. They get an itemised invoice highlighting each trip by driver and cost code."

Greg Giraud, general manager carshare at Hertz, which operates Flexicar and Hertz 24/7, has noticed the same increase in demand from businesses looking for an alternative to traditional fleet ownership.

"A large number of vehicles sit idle 90 per cent of the time, so for a company carsharing can reduce the fleet size by two-thirds," Giraud says.

"The vast majority of our business customers are SMEs. It's attractive to them because of cost savings. It's more flexible than a taxi and easier than using private vehicles. Especially in industrial areas, where parking is tight during business hours."

NOT A NEW CONCEPT

However, being able to scale the size of a fleet up and down to meet requirements is not a new concept for fleet managers. Some organisations have been running similar programs using pool car fleets for many years. Hospitals, charities and universities have varying demands on their fleets and have become very efficient at managing use and charging fleet costs on a user-pays basis.

Mat Prestney, executive director at TR Fleet Australia says: "Traditionally, tool-of-trade fleet operators with a 'back-to-base' operating rhythm have tended to operate a pool car fleet and this trend has had an historic prevalence in the healthcare and local government sectors. Recently we have noticed a growing level of interest in how pool car fleets might operate in the corporate sector, as organisations shift their focus back to cost-reduction strategies".

Rob Wilson, who provides fleet management consulting services as a director of 4C Management Solutions, believes the key to efficient fleet management is minimising the number of cars, trucks or plant needed to do the job.

"Pooling, when supported by robust management systems, can be a great way to do that," Wilson says.

Kurt Lingohr is the chief executive at Melbourne-based company PoolCar, which provides an IT platform for organisations to manage their pool car fleets.

"Our success has come from providing fleet managers with the software for bookings and the analytics to maximise utilisation," Lingohr says. "Without the analytics component you can't measure demand versus availability. Then over time patterns of usage can be identified, so 'spill' strategies can be developed to accommodate peak demand."

A "spill" strategy is where other vehicles, such as the executive fleet, might be called into the pool to meet demand during high usage periods.

SPECIFIC MOBILITY HIERARCHY

"One council in NSW has a very specific mobility hierarchy, which asks users to consider their options before automatically reaching for the car keys," Lingohr says. "In order of preference is walking, bicycle, public transport, sharing a ride, booking a car, taxi and, as a last alternative, a GoGet vehicle."

Prestney says there are risks involved with pool car fleets when demand is not managed effectively.

"Often when drivers are unable to access a pool car they revert to using their own vehicle," he says. "Provided the employer has a strong grey fleet management regime in place, this method can deliver both flexibility and cost-reduction outcomes for the organisation."

Another risk associated with pool cars is the management of fines and damage. Lingohr says his company has responded to customer concerns on this issue and developed electronic key cabinets that record the time keys are taken and returned.

"The vehicle booking is only one part of the control process," he says. "The person that made the booking is responsible for all damage and fines until the keys are returned. Control is also maintained by restricting who can book vehicles in the pool. To make a booking a user must satisfy the basic driver checks and complete any required driver training."

<http://www.afr.com/news/special-reports/industry-trends/businesses-get-on-board-with-car-sharing-20150527-gh8hh3>

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