



Fleet & mobility

Mobility – the buzzword of the moment – could transform the fleet manager's role and the way employees travel.

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Mobility: the evolution of fleet management

The launch of products such as corporate car sharing and mobility cards is changing the way employees travel on business. *Andrew Ryan reports*



NEED TO KNOW

- Mobility altering nature of fleet
- Fleet manager's role changing
- Health and safety should be central

Mobility is fast becoming the buzzword of the moment for many suppliers in the fleet industry, as the number of ways that companies can move staff around continues to grow.

As well as the traditional company car, public transport and flights, suppliers are launching an ever-growing range of transport options into the fleet sector, such as corporate car sharing, car pooling and electric vehicles.

In some European countries this has gone even further, with the launch of mobility cards which give employees a travel budget and the freedom to choose which transport methods they use.

These developments are set to change the way employers approach staff mobility, according to Sarwant Singh, senior partner, Frost & Sullivan, as the focus moves from the total cost of owner-

ship of fleet to the total cost of the mobility.

Research from his company found that, across Europe, around one in 20 companies already employs a dedicated mobility manager, while 22% believe their fleet and travel management departments could merge.

"We see in the future there won't be three different people within an organisation doing fleet management, travel management and expenses management, but one person," says Singh.

The mobility movement is gaining traction in the UK, with many new products launched in this sector.

Leasing and fleet management company Alphabet, for example, now describes itself as a 'mobility provider', and offers products such as corporate car sharing and a specialist electric vehicle department for fleets interested in e-mobility.

Nigel Trotman, who retired as Alphabet's strategic fleet consultant at the end of March and was





previously fleet manager at Lex Autolease, says: "In my opinion, the time has come for a new role to rise to the fore: the mobility manager, a position that is responsible for cars while connecting all the dots of employee travel to create a more economical, efficient, streamlined and cost-effective service."

So what does the concept of the mobility manager mean to UK fleet operators? The continued evolution of a fleet manager's role has already been happening for many years, according to John Pryor, chairman of ACFO.



To keep up to date with mobility, visit: fleetnews.co.uk/mobility

"At face value, mobility manager may better describe the job of today's fleet manager," he says.

"After all, many of us while managing a fleet of vehicles are also responsible for employees moving around the country by other means – bus, train and plane, for example, as well as by car.

"Fleet and travel manager' may not be as succinct a job description as fleet manager or mobility manager, but it does more accurately describe the job I and colleagues fulfil."

He adds: "Years ago, the traditional fleet manager could recite the power output of every company car they managed.

"What's important today is to know the total cost of an employee making a journey, including parking, taxi fares, hotel accommodation etc., how that journey will be made or whether an alternative to travel is more viable."

Pryor himself has embraced the evolution of fleet management in his role as fleet and travel manager at Arcadia Group.

"I went to my boss and asked to take on travel because I saw the synergies," he says. "Amalgamation of roles will increasingly happen, with facilities, risk, travel and procurement.

"It's about processes and managing contracts that are less specialised than vehicles.

"Fleet managers should embrace the other areas; it helps them to make a much stronger case of why the business needs that role."

While the role of fleet managers has evolved to take into account new technologies and transport methods, suppliers are increasingly offering new products to win a share of the mobility market, with Frost & Sullivan estimating that, around the world, companies annually spend \$1.2 trillion (£768bn) on business travel.

Companies from many different sectors are looking to win a greater share of this market.

Peter Bridgen, managing director of Fleetcor's fuel card operation, last month announced that added services to its Allstar One card in 2016 will include a range of mobility products. "Next year we will be able to deliver mobility cards, with customers able to pay for flights, hotels, car rentals and trains," he says.

Another company which has recently made inroads into the mobility sector is Europcar, which this month announced it has acquired a majority stake in E-Car Club, an entirely electric pay-per-use car club.

This acquisition is part of Europcar's search for new mobility solutions, says Fabrizio Ruggerio, member of the Europcar Group management board and head of mobility.

E-Car Club currently operates across a number of UK sites including London, Hertfordshire, Northamptonshire, Oxfordshire, Buckinghamshire, Warwickshire and Fife.

"We look forward to accelerating the development of E-Car Club's electric vehicle car sharing solutions," adds Ruggerio.

CASE STUDY: ABB

Combining the role of a fleet and travel manager is not a new concept for automation and power technology company ABB: the organisation has adopted this approach globally for many years.

"They are two completely different commodities, but very similar from the management side of it, certainly from a duty of care and health and safety point of view," says Lisa Jones, who has been the fleet and travel manager for the company's UK operation for the past 11 years.

"I am more hands-on with the fleet than the travel side: I would say that 60% of my time is dealing with the fleet, with the other 40% on the travel side."

ABB, which has just under 900 vehicles in the UK, has around 60 travel bookers who look after travel arrangements for staff: Jones holds the relationship with the travel agency, airlines, car

rental companies and charge card provider.

The method of transport used depends on the journey and the traveller's judgement, says Jones, but ABB's main consideration is for the welfare of its travellers.

"Duty of care and health and safety are our priorities, first and foremost," she adds. "If our staff are travelling in the UK within a certain parameter we would expect them to take a company car, but our busiest route is between our sites in Manchester and Aberdeen and we would not want our staff to drive it.

"It's a six- or seven-hour drive, so I would expect them to fly.

Even if it was going to cost less to drive there is an issue with the length of time they are in the car.

"Obviously cost is still important, but for me health and safety is paramount and nothing will get in the way of that."



"Cost is still important, but for me health and safety is paramount and nothing will get in the way of that"

Lisa Jones, ABB

'A THIRST FOR KNOWLEDGE IS ESSENTIAL'

The Institute of Car Fleet Management is seeing four main trends when it comes to mobility, says its chairman, Paul Hollick.

■ Members are more accepting of technology within fleet and see the major role that new technologies will play in shaping the industry.

■ There is an acknowledgement that this is a world of big data. For those that embrace it, it helps shape fleet policies (from business trip dashboards, to supplier management, to real-world fuel consumption figures and occupational road risk). But there are challenges with personal data that always need to be addressed.

■ There are concerns over deployment, suitability and sustainability of new technology, especially ultra-low carbon solutions, automated vehicles and the suitability of car sharing.

■ Members are seeing low carbon strategies become nearly as important as physical cost savings.

Hollick adds: "What we have seen is that knowledge is the key, and a thirst for knowledge is essential.

"Our advice to fleet managers

is to keep well networked, attend conferences and get up to speed on new innovations, especially from those fleet managers that have led the charge over particular topics and have very much been early adopters.

"Also, keep up-to-date on continuous personal development. The industry, including the ICFM, has various refreshers and updates that keep fleet managers' skills completely up-to-date."



"Our advice to you is to keep well networked, attend conferences and get up to speed on innovations"

Paul Hollick, ICFM

£768bn

amount spent per year globally by companies on business travel

60

number of travel bookers, who make travel arrangements for staff, employed by ABB

Apps such as Uber, which allows users to book taxis, and ride-sharing schemes such as BlaBlaCar are becoming increasingly used by consumers in their private lives.

Matt Dyer, managing director of LeasePlan UK, says fleet managers need to be aware of these initiatives while planning travel.

"It seems increasingly likely that we are about to enter a new era of personal mobility," he says.

"Organisations must be prepared to react quickly to the impact that this will have on their employees and wider business operations.

"Mobility needs to be thought about in more holistic terms and leasing companies remain in pole position to advise employers about the best solution for their business.

"Managing transportation for an organisation will no longer simply be about running a fleet of vehicles; it will be about finding the best way for employees to make particular journeys – and customers will look to their leasing provider for more support as mobility solutions become more journey oriented, complex and technical."



E-Car Club offers electric pay-per-use club

SPONSOR'S COMMENT

By Jon Burdekin, Alphabet



Today, organisations are progressing away from the idea that the only way for their employees to get from A to B on business is in a company car. Demand is growing at board level for solutions that deal with the entire business travel needs of every individual, and of the organisation as whole.

And that is just what business mobility offers. A fluid, transparent approach to reducing business's operating costs and carbon footprint across fleet and travel activities. There is a massive opportunity for organisations to leverage significant gains in productivity by managing their vehicle assets and mobility needs systemically by analysing their total cost of mobility.

"Business mobility offers a fluid, transparent approach to reducing operating costs"

This view of the future was widely understood and accepted at a recent BVRLA fleet technology congress I attended. The new technologies and ideas presented there were hastening the arrival of the day when centralised management of all business travel requirements becomes the norm.

The challenge for organisations is to be ready to embrace the opportunity. That is why Alphabet is a Business Mobility company, not just a leasing firm. We offer a complete mobility mix, from current fleet funding and management products to new solutions such as advanced corporate car sharing and e-mobility packages.

In future, Business Mobility will mean lower travel costs and a more efficient, sustainable, enlightened way of working. This special report sets out the key issues to help fleet professionals start planning their routes towards mobility management. Which is why Alphabet is proud to sponsor this mobility special report in association with *Fleet News*.

Alphabet



Cut costs and CO₂ with the right mobility choices

Fleet managers need to look beyond company cars and rental vehicles when transport planning. *Andrew Ryan* reports

NEED TO KNOW

- A wide range of options for staff recommended
- Cost, efficiency and practicality are paramount
- Analyse mileage, frequency and journey type

Choosing the right method of transport for employees on business has many benefits for a fleet: cost and CO₂ emissions can be reduced, while staff safety can be improved too. However, the ever-broadening scope of transport options gives fleet managers more to consider than ever before.

"Today, mobility for businesses and their employees is no longer merely about company cars, rental vehicles and their financing," says Kit Wisdom, head of corporate mobility at Alphabet.

"It's about providing a wide range of options for going from A to B, and optimising the total cost of mobility."

Traditionally, company cars have been the automatic option for the vast majority of business journeys, and this is still the case for a surprising number of companies, says Tim Anderson, senior transport advice manager at the Energy Saving Trust (EST).

"Employees often start by saying they want a car, and it's amazing how many companies are still led by a desire to give vehicles and have a vehicle-based policy," he says.

"That's fine to an extent, but with the growth of alternative fuels and the increasing choice of transport methods, it's started to become a lot more complicated.

"People need to approach it as a mobility planning solution rather than simply provide a car that an employee wants."

Before deciding on a mode of transport for business travel, fleets need to consider a range of issues, says Chris Chandler, principal consultant, fleet consultancy, at Lex Autolease.

"The most important factors in choosing a mode of trans-

port for carrying out business mileage would typically be cost, efficiency and practicality," he adds.

"A proactive mobility policy will identify the best option available for travel based on these areas and then mandate or recommend the travel method that best meets these factors. We carry out mobility analysis modelling through our fleet consultancy team to help formulate travel policies identifying the most cost-effective and efficient transport options. These include allocated company cars, pool vehicles and daily rentals, and consideration can also be given to public transport, all of which have various benefits depending on the journey.

"This is done through analysis of mileage carried out, frequency and journey types in order to determine the most cost-effective method for the customer in question.

"We also consider practicality, which is important as a customer may save a small amount financially on their travel by using a daily rental rather than taking public transport, for example, but, if this has an adverse effect on logistics and convenience for the wider business, we may advise a different method."

Andrew Benfield, group director of transport at EST, adds: "The basic travel hierarchy we propose is: drive less miles, drive the most energy efficient vehicle and drive it as efficiently as possible. If you do all those three you will be reducing energy use, emissions and costs."

The organisation advises companies to first consider tele- or video-conferencing before travelling.

"This is a standard recommendation we would make to any organisation working over long distances; it is certainly worthwhile for internal communication," says Anderson.

"It won't replace every business trip and video conferencing doesn't always work perfectly in every situation, but for a lot of meetings companies could use systems such as Lync or Skype where the cost is minimal. That can replace the need for a car journey full-stop."

For short journeys, EST advocates either walking or encouraging staff to use bicycles. Camden Council does this by providing a £250 lump sum for essential cycle users and 25 pence per mile for casual cycle users.

The authority provides 36 pool bikes for use by its employees, with folding bikes based at two locations where storage space is limited. Pannier bags are supplied to enable staff to transport any equipment.

For longer journeys or inter-city travel, Transport for London (TfL) feels fleets should promote public transport, while trains should be chosen ahead of planes.

"As train travel is less carbon intensive than travelling by plane, many organisations now implement a ban on all short-haul flights where an equivalent journey by train of less than six hours is available," says a TfL spokesman.



"People need to approach it as a mobility planning solution rather than simply provide a car that an employee wants"

Chris Chandler, Lex Autolease



42%

cost saving for Grunfos Pumps after introducing car sharing scheme



CASE STUDY: CORPORATE CAR SHARING

Grundfos Pumps has cut its daily rental spend by 42% after introducing Alphabet's corporate car-sharing solution, AlphaCity.

It introduced AlphaCity in November 2013 and has since decreased its daily rental spend by more than £5,000, enhanced visibility of when and where the car is being used at any given time, and improved its environmental footprint.

Grundfos employees now use a BMW 3-Series, equipped with AlphaCity corporate car-sharing technology, for the majority of business journeys. The vehicle remains on site at Grundfos's Leighton Buzzard headquarters, providing multiple drivers with round-the-clock access through an electronic card system. Employees check availability, book the vehicle online and are ready to drive. Grundfos no longer has to worry about the physical management of the vehicle's keys, booking process or compliance with associated health and safety and financial legislation.

Jason Funnell, operations director at Grundfos Pumps, says: "Previously,

we were dependent on rental vehicles, which were not only time-intensive to manage, but there was no guarantee that the vehicle would be environmentally friendly.

"Also, due to the timing of business journeys, more often than not vehicles had to be delivered a day in advance and returned a day after, tripling costs unnecessarily."

He says there is potential for expansion of the car sharing initiative, with the introduction of further cars at the other Grundfos locations in Birmingham, Leigh and Livingston.

"Previously, we were dependent on rental vehicles, which were time-intensive to manage"

Jason Funnell, Grundfos Pumps



Jason Funnell: reduced spending with car-sharing

"Unless a business specific reason deems air travel essential, trains often provide a greater opportunity to work compared to the combined airport and flight experience which can equal or exceed the train journey."

He adds: "Bear in mind the benefits of using public transport, for example, being able to use the time productively (many long distance trains now provide wi-fi) or simply to take a break between meetings."

However, ACFO says it is important for fleets looking to use public transport to consider how the employee will travel to and from, for example, the railway station at both ends of the journey and how much this will cost in potential taxi fares.

Many non-company car drivers consider that using their own vehicles on business is, more often than not, the most convenient method of travel.

However, this is discouraged by many fleet companies, due to cost, duty of care and CO₂ emissions.

£500k

reduction in grey fleet costs after Croydon Council brought in a car club scheme

£250

given for cycling as a lump sum to staff at Camden Council





“Business mobility is a balancing act with no ‘right answers’ and many variables”

John Pryor, ACFO



Traditionally, companies may use daily rental vehicles to replace the grey fleet, but more are using pool cars, corporate car sharing and car clubs instead.

Pool vehicles are typically leased or bought by a business as ‘spare cars’ and they are then used by employees when they need to make a business journey.

Car clubs provide employers with a self-service – but fully managed – car or van pool which is located in dedicated parking bays either on-street or within an organisation’s car park or site.

Corporate car sharing schemes, on the other hand, such as Alphabet’s AlphaCity, allow multiple drivers from a company access to a range of cars through an electronic card system.

This plethora of options makes travel decisions more difficult than ever, as there is no ‘one-size-fits-all’ solution which suits all companies.

“Business mobility is a balancing act with no ‘right answers’ and many variables that all have to be considered and managed,” says John Pryor, chairman of ACFO.

“Employee welfare is also essential, so organisations must consider whether lone workers should be allowed to travel early in the morning or late at night,” adds an ACFO spokesman.

“Ultimately, organisations that want to optimise mobility solutions must take a flexible approach that mixes a wide cross-section of options while stressing to employees and their line managers the multitude of variables that must be considered in making the final travel decision.”

■ ACFO has produced *From A to B: The ACFO Guide to Journey Planning* which looks at the issue of business mobility.

For a copy of the document, email info@acfo.org



Are you providing the best mobility solutions for your staff? fleetnews.co.uk/mobility

CASE STUDY: CAR SHARING AND RENTAL



Aylesbury Vale District Council (AVDC) will save an estimated £100,000 a year after introducing a car sharing and rental programme following an in-depth analysis of its grey fleet spend and usage.

Nine low emission vehicles provided by Enterprise Rent-A-Car are now used by staff travelling on council business.

Making this switch will also significantly reduce the authority’s carbon footprint, says the council.

By analysing the data from council business trips undertaken in employees’ own cars, Enterprise determined that 81% of those journeys were shorter than 50 miles and 71% of trips lasted for fewer than four hours.

In addition, the most common reason these employees didn’t use public transport instead was the lack of a train station near their intended destination, so an alternative to private vehicles was essential.

As a result of this analysis, the

Nine low emission vehicles provided by Enterprise Rent-A-Car are now used by staff travelling on council business

council has introduced nine Enterprise CarShare cars as a virtual pool car fleet – two of which are electric vehicles – to cover the organisation’s shorter business trips.

It has also provided employees with access to Enterprise’s online technology so they can hire vehicles on a daily basis for longer journeys.

All AVDC employees are now required to use the new rental and CarShare vehicles rather than their own cars for work journeys.

CASE STUDY: CAR CLUB

Croydon Council reduced its grey fleet costs by £500,000 and reduced CO2 emissions by 138 tonnes a year after working with Zipcar to introduce a car club.

Before the London authority entered into the partnership with Zipcar, the authority’s staff were running a large grey fleet of vehicles with varied emissions and environmental impact.

These vehicles were travelling more than 1.1 million miles on business each year, emitting 345 tonnes of CO2.

They were also occupying space and management time with staff issues over parking spaces.

The council aimed to reduce its essential user scheme and improve its environmental

impact and, over a two-year period, it entered a partnership to manage car club cars as pool cars.

By the end of this period, the council had reduced business miles by 48% to 642,000, cut the cost of car travel by 64% to £472,000, and reduced CO2 emissions to 207 tonnes per year.

As all car club vehicles are booked through Zipcar, it means that council staff are no longer involved in fleet management issues of these vehicles and there are fewer line management issues to negotiate around car use.

The scheme now provides exclusive use of 23 vehicles to council employees from 8am to 6pm, Monday to Friday. Outside these hours, the vehicles are available to Zipcar members in the Borough of Croydon.





Future cities must be ready for EV revolution



Colin Herron envisions an electric future where everything is connected, reports *Simon Harris*

NEED TO KNOW

- Expert believes this year to be 'tipping point' for EVs
- Strong EV infrastructure essential for future cities
- Cities must 'future proof' by ensuring connectivity

The take-up of electric vehicles (EVs) has been rather slower than predicted a few years ago. While some have played down the ongoing role of pure EVs, alongside the emerging plug-in hybrids, hybrids, hydrogen fuel cells and more efficient petrol and diesel cars, others believe they will play a crucial role in the so-called 'smart cities' of the future. Colin Herron, managing director of Gateshead-based Zero Carbon Futures, describes 2015 as a tipping point for EVs.

Zero Carbon Futures was established in 2011 as a not-for-profit subsidiary of Gateshead College, and has been working to establish how emerging low-carbon technologies will be integrated into daily life. Herron believes 'smart cities' and 'future cities' will be key in creating the types of environments where EVs will thrive.

"We can have a smart city that isn't a future city, but not a future city that isn't smart," he told delegates at an electro-mobility seminar organised by Nissan.

"A smart city is more efficient, sustainable, uses integrated technology."

Essentially, according to Herron, all future cities will be smart cities, and a strong infrastructure for charging vehicles underpins growth in take-up. He believes the current level of charging points is coming under strain in city centres with increasing uptake of plug-in vehicles, suggesting more rapid charge points are needed. This will, in turn, make EVs more feasible for more customers, increasing their usability during the day with improved access to quick recharging.

"Cities must ask what their strengths are, what they are good at and what are they not good at"

Colin Herron

Having a reliable infrastructure with adequate capacity is crucial to increasing adoption. "We need community 'pull' and not technology 'push,'" said Herron.

Town and cities that are seeking to increase EV use must also ensure to future proof themselves.

"In future cities, all technologies must be linked and talking to each other," he said. "Healthcare must be integrated and age friendly; utilities must include energy storage as well as generation; mobility must be zero emissions and accommodate autonomous technology; business must be energy-efficient and carbon neutral.

"It's not just about big data and 'the internet of things'. It's much more than that. Smart cities must build in future technology now. Cities must ask what their strengths are, what they are good at and what are they not good at. For example, bicycles work well in Amsterdam but would fail in Venice."

As EV take-up increases, there could be a ready market for used batteries. Herron says that energy storage requirements could be met by EV batteries undergoing a 'second life'. Some organisations have already begun deploying used EV battery cells as a way of storing electricity.

A battery cell will typically recharge to around 80% of capacity after four years of use. While that might make them less effective for EVs, they can help organisations reduce energy costs by being charged by solar power.

Indeed, they could have a 'second life' of an additional 16 years, as lithium-ion batteries can deliver around 80% of capacity for many years afterwards, in that time helping cut utility bills and use 'greener' energy.

While EVs are now vying for attention alongside plug-in hybrids and new hydrogen fuel cell vehicles, Herron believes more work is needed to investigate the potential and the role they can play in 'future city' development bringing together the three strands of grid, vehicle and community.

"Cities must be made EV friendly to the point where people will then ask, 'Why not EV?'" said Herron.



Find out more about EVs and the future of vehicle fuel at: fleetnews.co.uk/fleet-management/environment/



Cost and convenience will be the mobility priorities

Fleets will begin assessing all the travel options for every business journey rather than simply defaulting to a company vehicle. *Andrew Ryan* reports

NEED TO KNOW

- Mobility allowance enables choice of transport mode
- Usage, rather than ownership, will be main focus
- Experts believe most vehicles are underused

Flying cars have long been heralded as the future of transport, with columns of airborne vehicles often portrayed making their way through towering skyscrapers.

From colourful 1960s cartoon *The Jetsons* to 1990s Hollywood blockbusters such as *The Fifth Element*, the message from science-fiction writers was clear: flying cars were the future.

However, while this genre has successfully predicted the future in many areas, the way corporate mobility will develop seems, in the main, more grounded.

Industry experts now predict that autonomous vehicles, connected cars and a growing focus on providing door-to-door mobility for consumers will play a prominent role in the immediate future.

Products such as car-sharing and mobility cards are also expected to grow, as companies move towards 'asset light, technology heavy' transport solutions.

Research and consultancy company Frost & Sullivan also expects fleet operators across Europe to increasingly become mobility managers as their role diversifies.

Here we focus on the session covering the future of corporate mobility which was held at the recent Frost & Sullivan Intelligent Mobility conference.

LEASEPLAN UK



Hein du Plessis, head of product development LeasePlan UK says leasing companies have an important role to play in helping businesses adopt a mobility model.

During the conference, Du Plessis was told that some companies that lease cars could help pay for the vehicles by renting them out to other business while they were not being used.

In situations like this, a leasing company has to "become an enabler", says Du Plessis.

"Looking at the UK market specifically, 55% of all vehicles are now leased, so the natural progression would be for the leasing companies to take a forward move," he adds.

"From LeasePlan's perspective, we really are moving away from the vehicle and more towards the journey."

FROST & SULLIVAN



Graeme Banister, director of consulting in mobility practice, automotive and transportation at Frost & Sullivan, has seen a shift in the way

companies across Europe approach business travel.

"Corporate mobility is a lot of things: it's fleet, it's business travel and it's expenses," he says.

"All of that put together makes it a dynamic landscape. We see companies across Europe moving from a total cost of ownership model for assets like company cars to total cost of mobility models.

"This will see companies move from managing a section of employees who have company cars to a mobility model which is integrated and which can be provided for all employees."

However, Banister is keen to stress that this will not signal the end of the company car.

"The company car is, and will, remain the key part of how an organisation is mobile and how it does its business," he says.

"What you will see is an increased interest in some of the sharing solutions, such as corporate car sharing and car pooling."

Banister says corporate car sharing, in particular, has potential for "great

growth" as fleets can use this to improve vehicle utilisation and make better use of pool vehicles.

Frost & Sullivan research shows five countries in Europe – the UK, Germany, France, the Netherlands and Belgium – are most aligned to considering mobility.

"From that we've looked and understood what products companies are using now and what products will interest them in the future," says Banister.

One product which has been adopted in some countries is a mobility allowance, where employees are given a monthly budget and are able to choose the transport they use, such as car, taxi or train.

"If all of the component parts come together, you can actually say to an employee 'here's an opportunity to decide which products you want to use in the best way under the umbrella of a mobility allowance'.

"We saw interest in taking this forward across all countries, particularly Belgium and the Netherlands because of their geography and the way they are densely populated, so it's easy to get from A to B.

"We found there is a great appetite to move from company car to mobility allowance."



Frost & Sullivan has seen a shift in the way companies approach business travel

The recent Frost & Sullivan Intelligent Mobility conference saw experts discussing the future of mobility in fleet



ACFO / ARCADIA GROUP



John Pryor, chairman of ACFO and fleet and travel manager at Arcadia Group, says the Energy Savings Opportunity Scheme could provide businesses with the motivation to introduce mobility solutions.

The mandatory scheme means that, from December, medium and large companies must measure their total energy consumption across transport, buildings and industrial activities over a 12-month period.

"Now, you have got to start knowing what your energy consumption is, and therefore what your mileages are, what you are doing on rail and what you are doing on air," says Pryor. "I think people will start seeing that data and will start asking what they want to do with regards to mobility."

However, he says one potential problem businesses face with adopting a mobility model is knowing where this responsibility will sit within a company.

"Now, you have got to know what your energy consumption is"

"Does it sit in a purchasing environment? Does it sit in a financial environment? Does it sit in an HR environment?" he says.

"We've got feeds from our travel agent, our expenses department and our company cars. So, we have got all this information there, but it is not always easy to get. One issue for corporations is knowing where that data is.

"Once you start getting there, it rolls on and on and, when you think you've caught it, there's actually more that you've got to go into.

"That is why a lot of people don't want to do it."

ALPHABET INTERNATIONAL



Carsten Kwirandt, head of marketing and business development, Alphabet International, feels corporate mobility will focus more on usage than owning vehicles in the future.

"We know that travelling is becoming more complex and the mobility user is asking for more inter-modal travelling solutions and for more flexibility," he says.

"This morning in London I saw two stations where I could rent a bike. And there's also the Oyster card.

"In four years' time, there will be 26 million car sharers across the world"

"These initiatives allow people to choose their means of transportation. It will not always be their own vehicle: there is a trend of moving from asset to usage. The average usage of a car today is about 4%. If this was transferred to an airline, that airline would close down the next day because an asset being used just 4% of the time doesn't pay off.

"Think about the asset of the car, how does that actually pay off?"

Kwirandt expects there will be a dramatic growth in car sharing. "The projection is that in four years' time there will be 26 million car sharers across the world," he says. "Today we are at two million."

He adds: "I am in a business where we are funding a lot of cars. In many cases, we expect the lease cars will be replaced by other means of transportation, but not in the first instance.

"Instead they will be offered alongside them, because this is what the mobility user is asking for."

Q & A

When do you think the tipping point will be when corporate mobility will be mass-adopted by large organisations?

Hein du Plessis, head of product development, LeasePlan UK:

Traditionally the corporate market has led the retail. The widespread adoption of diesel cars is evidence of this. However, in the mobility space we definitely feel the retail market is pushing the corporate so, to a certain extent, the tipping point is happening as we speak.

There is a massive increase in car sharing in the retail sector and we feel that will flow upwards to the corporate market.

Nigel Aston, senior advisor corporate strategy, Amadeus:

We hear a lot about the millennial generation.

If it starts making demands of employers and that's the only way that companies can secure the best employees, this upward pressure will create the tipping point for when large organisations really adopt corporate mobility. It's impossible to put a firm date on it, but I think we will see a considerable difference in five years' time.

Carsten Kwirandt, head of marketing and business development, Alphabet International:

Generally, I would agree but if you look at it market-by-market, there are different degrees of maturity. The Netherlands is very mature in terms of operational leasing and is open to offering mobility budgets, ahead of other countries such as Poland, which are just discovering operational leasing. The tipping point is always ongoing.