

## **Study Tour - 1999 USA Study Tour, Resounding Success**

Delegates have voted AfMA 's recent Study Tour of America a resounding success. 'Definitely worthwhile', 'more in the future', 'excellent organisation' and 'very enlightening' were just some of the comments.

Tour party delegates comprised: Marja Thompson, Executive Director, AfMA, Mark Reid, Sales and Marketing Manager, Australian Card Services, Max Warren, Facilities Manager, World Vision Australia, George Warcaba, NSW Fleet Manager, Tyco Australia, Howard Symington, Director, SMB Fleet Management, Les Clarence, General Manager, Q-Fleet and Ken Thompson, Managing Director, Fleet Review.



Departing Australia on April 28 the magnificent seven packed a lot into a hectic ten day schedule visiting fleet operations in Los Angeles and Washington and attending the National Association of Fleet Administrators (NAFA) convention in New Orleans.

The site program was devised following close consultation with David Lefever, Chief Executive of NAFA, AfMA's American counterpart. The expert guidance provided by David and his team resulted in visits to fleet operations of special interest based on diversity of their fleet or the employment of advanced technology.

First stop was Los Angeles.

### **UCLA**

Faced with a campus population of 50,000 UCLA has introduced a number of initiatives to assist the daily transport flow. Major investment has been made in information technology to control a fleet of 700 vehicles including on-site maintenance, spares acquisition and storage, internal billing to different cost centres within the university and automated refuelling.

The fleet includes 33 passenger buses fuelled by Compressed Natural Gas (CNG) and a Vanpool scheme deploying 130 mini-vans across 80 Southern Californian communities saving passengers money and reducing pollution.

UCLA Transport Department was also trialling two electric cars. Despite on-campus charging stations they found the limited range of the vehicles a drawback to its effectiveness.

### **The Disney Corporation**

Disney have adopted a refreshing business attitude to the local community. As a major employer within the Burbank area Disney has developed a corporate policy of employing local suppliers whenever possible to service its fleet of 800 vehicles. Although Disney could access cheaper suppliers outside the area they are happy with the service provided by Burbank suppliers who have risen to the challenge.

Within the organisation, interface with senior management is very good combining with information exchange and good use of information technology.

Tour member Les Clarence was particularly impressed by the strategic alliance initiative with suppliers and the level of service it achieved. He felt the overall culture of the organisation was one of great innovation operating within tightly managed administrative processes.

For George Warcaba the visit to the Disney Corporation reinforced his own belief in preventative maintenance by use of a 'user-pay' system. By making the driver of the car financially accountable for any damage incurred the number of accidents drop dramatically. Disney have had only three accidents in three years. This in a city the size of Los Angeles is an amazing result.

### **The City of Beverley Hills**

The City of Beverley Hills is spread over an area of only seven square miles with 32,000 residents and a median property value of US\$1.2 million.

Perhaps not surprisingly the predominant concern is with emergency services and disaster management. The ability of the city to function in the wake of a major natural disaster is the determining factor in the structure of a fleet comprising 359 vehicles and fleet support.

Outsourcing vehicle service and repair are not decided on cost but on the ability of the city to function if isolated by an earthquake.

The visit also provided Max Warren with the opportunity to exchange valuable information and ideas with City of Beverley Hills' Walter Burnett. Both Max and Walter are responsible for both fleets and facilities within their respective organisations.

Environmental legislation is another major issue as California was the first state to impose strict emission control on vehicles forcing manufacturers to modify vehicles accordingly or face a sales embargo. The US government has now introduced legislation regarding the mandatory use of alternative fuel vehicles. With tax breaks as an incentive companies have to fill quotas for such vehicles and the demand is leading more manufacturers to invest in the production of alternative fuel vehicles.

### **New Orleans**

#### **NAFA Conference**

More than 2,500 delegates gathered for NAFA's 1999 Fleet Management Institute and Fleet Institute Exposition. Run over four days the convention offered extensive networking opportunities and over 35 educational sessions on a wide range of subjects. Held in conjunction with the convention, Fleet Expo provided delegates with the opportunity to view more than 150 company's fleet-related products ranging across car disposal, driver training to after-market fitting of accessories.

The theme of the convention was 'Breaking the Mold...Creating New Paradigms for the Millennium'. One such paradigm was the commitment to the Internet as a key business tool according to delegate Howard Symington, who was impressed by the American attitude to new technology. Howard went on to see this commitment in reality later in the tour with a visit to PHH Vehicle Management Service, Washington.



#### **Seminar Round-Up**

*To provide members with an idea of the subjects discussed at the convention we have included below a synopsis of the seminar program.*

## **Sunday May 2**

### **Aerial Devices**

Presented by senior management from Altec Industries, Birmingham, Alabama, this seminar demonstrated how to specify, design, use and maintain an aerial device. The benefits and liabilities of ownership were also discussed together with the size and style of available devices and how these would benefit different business needs.

### **Teambuilding: Why some teams work and some don't**

What is a team, why are teams good, why do some teams work and others fail? This seminar answered all these questions by examining the role of the team within an organisation and the benefits they can bring such as increased productivity, improved communications, better use of resources and better problem solving. Stages in team building including the goal of the team, the role of each team member and the leadership of the team were also dealt with.

### **How to become a CAFM**

The Certified Automotive Fleet Manager (CAFM) is a qualification developed by NAFA. This seminar was for delegates interested in studying for CAFM and dealt with issues such as the skills and experience required, effective studying and how to prepare a case study through research, analysis and critical thinking.

### **We've never done that before: Creative Problem Solving**

A seminar which sited logical, rational and linear problem solving skills as insufficient when faced with an increasingly unpredictable and unstable work environment.

Creativity can be a powerful problem solving tool and lead to innovative strategies. Companies need to overcome barriers to creativity such as stress, demand for conformity and lack of confidence. Techniques to enhance creative thinking can then be employed including challenging personal perspectives, attitudes and thoughts and employing humour and exaggeration in place of formality.

### **Emerging Technology to Enhance Fleet Productivity**

By charting the development in maintenance shop work practices from the 1950s through to the present day the two speakers demonstrated how improved technology had revolutionised company operations. Costs and efficiencies are the major factors in current operations and technology such as touch screen ordering, advanced inventory systems and bar coding allow paperless systems to be introduced. Mechanics have now evolved into technicians with training paramount especially in electronics and diagnostic analysis leading to increased service and maximisation of time.

### **Managing a Global Fleet**

What is globalisation? For company's operating fleets internationally then the benefits of globalisation can be many. A seminar to determine how globalisation will work for different companies and the strategies for negotiating globally with manufacturers. Use of enabling technology such as electronic commerce and web-based applications and awareness of the differences between vehicle markets in terms of pricing, taxation, and cultural issues were all dealt with.

## **Monday May 3**

### **Canadian Legislative Update**

The Canadian Government at all levels is targeting fleet issues such as alternative fuels, insurance, taxation, licensing, and vehicle equipment. NAFA's Canadian Legislative Council explained the latest legislation, clarified current concerns and offered advice to members on how to effectively express recommendations to government leaders.

### **Plain Fuelishness: Conventional Fuel Technology**

An explanation of every day technical terms involved in fuel technology, factors involved in the selection process of fuels and fuel additives and matching the right grade for specific types of fleets. Future technology changes were reviewed and the impact these could have on the running of fleets particularly in terms of emissions and impact on the environment.

### **Making Change Work for You**

Business indicators point to continued acceleration of both the amount and the pace of organisational change. This seminar looked at the tools available to cope with such change, the choices available when faced with change, how the right option can enhance your quality of life and how to turn change to your advantage. To understand the change and its implications allow time to gather the facts then decide on a strategy (accept, resist or collaborate) before finally implementing the new measures.

### **Lease vs Buy vs Reimbursement**

The NAFA Foundation in conjunction with independent accountancy firm Deloitte & Touche have produced a software package enabling fleet operators to judge which of the above options is more beneficial in any given situation and supply senior management with credible, objective responses as a result.

The seminar introduced the new package and outlined the data required for it to operate effectively, how such data should be entered and how to interpret the results and report them.

### **Doing Business with the Federal Government**

The US Federal Government operates more than 575,000 motor vehicles and buys over US\$870 million worth of vehicles and in excess of US\$1.5 trillion worth of fuel, maintenance and other fleet products annually.

This seminar acted as a guide for prospective suppliers providing important information on how fleets are organised, who manages them and how to do business with them.

### **The Design Process: Designing a Maintenance Facility that Works**

Why should the fleet manager be involved in the design process of the maintenance facility? An obvious question but one that is often overlooked.

Starting with the reasons for a new facility project this seminar followed the path of the design process and the role of the fleet manager especially with regard to the relationship between savings opportunities and implementation costs.

### **Managing Generation X**

Identified members of the workforce perceived as belonging to Generation X (born between 1963 and 1977) and the management and motivational techniques available when dealing with this younger generation.

The Self Building Results Cycle is a six step strategy applicable to recruiting, orientation, training, goals and results, feedback, rewards and corporate culture. It recommends providing training in marketable skills, instilling a daily sense of achievement and empowering employees to take control of their own work schedule.

This can result in improved morale and productivity, reduced absenteeism and turnover.

### **Resilience: your key to meeting the challenges of change**

This seminar identified resilience as the key personal characteristic of employees in coping with change. By building resilience within a workforce companies stand a better chance of prospering in increasingly demanding and complex environments.

Change was defined in individual and broad terms and the possible disruption it can cause for individuals and to organisations goals and missions. A strategy for developing seven resilient characteristics within employees was discussed. This included positive attitudes, focus, flexibility, and the ability to be pro-active.

## **Tuesday May 4**

### **Finding what you want: power searching the Internet**

With 4 million websites in existence and 8,000 added daily the task of finding specific information is daunting. This seminar provided many tips on using the correct search tools, organising findings for future reference and reducing search time.

To access a complete index of really useful sites visit the speakers web address at [www.corbinball.com/favorites.htm](http://www.corbinball.com/favorites.htm)

### **Rulebook for Facility Design: designing a maintenance facility that works**

Complimenting the seminar from the previous day this dealt with practical issues such as establishing building and car park size, the best lighting for the workshop, new methods for oil distribution and waste oil recovery, how to size a work bay, how to properly ventilate exhaust fumes and alternative fuels.

### **Evaluating your fleet management company's performance**

Performance evaluations should be undertaken for fleet management companies. Taking this as its basic premise the seminar went on to establish the elements involved in performance evaluations such as specific performance expectations for operational requirements and performance expectations that meet an organisations priorities. Development of performance measurements and utilisation of results to maximise the benefits offered by the fleet management company were also discussed.

### **Is it time to get your fleet on the web?**

Targeted at fleet managers who have yet to employ the Internet in daily operations this seminar demonstrated the capabilities and limitations of the Internet. Potential ways to apply website technology for a fleet such as vehicle re-marketing, management reports, on-line surveys, on-line vehicle ordering and auctions were discussed plus what to look for in a website developer and the costs involved.

### **Mobile Offices**

The significant advances in technology with faster and more powerful computers, data and voice communications and the world-wide-web, are driving a move away from the traditional office to working from a vehicle. To back up this technology a number of in-car products and accessories exist to convert the car into your mobile office. These include organisers and files, portable desks and mobile desks allowing greater freedom, more efficiency and more productivity.

### **Utility fleet management in a deregulated environment**

High consumer rates and global competitive pressures on manufacturers have resulted in calls for drastic change to utilities. Such changes raise the question of how utility fleets will be affected by deregulation and the move towards full retail competition for utility customers.

The answer is to plan ahead and identify the areas in the fleet operation that need to be restructured, how to evaluate you fleet operations using predictors that can identify success or failure of outside fleet contractors and how to identify partial outsourcing solutions.

### **Secrets that make web sites successful**

Start by evaluating and determining goals for creating a site and examine some of the components of successful sites including the ability to interact with customers. Combine education, management reporting and communication into one appealing site with good navigation and always remember the immediacy of the Internet, that it should be used as a dynamic, interactive promotional brochure and communication tool.

## **Technology solutions for Fleet Management in the 21<sup>st</sup> century**

This seminar provided an overview of current and leading edge automated fleet management tools. It showed: the basic concepts and how they can be applied to fleet management, trends in technology and the implications for the future, how to identify and then prioritise potential applications of technology with the objective to maximise benefit and how to create a plan to research, plan and install new technology.

### **Resource allocation for maintenance activities**

Aimed at fleet managers with a responsibility for mechanics/technicians and maintenance shops this seminar explored techniques for comparing varying kinds of fleets, how to establish resources for your own fleet, how to assess staffing levels and resource allocations for the number and composition of a particular fleet and how to assess technician performance.

### **Wednesday May 5**

#### **US legislative update**

NAFA's Legislative Counsel, Pat O'Connor, addressed the seminar on the many new laws and regulations affecting fleet operations in the US. He also illustrated how to develop and communicate concerns to government officials on issues ranging from alternative fuels to the environment.

#### **Hybrid vehicles**

A hybrid vehicle is one that uses two power sources: an energy conversion device such as a traditional gasoline engine and an energy storage device such as a battery, flywheel or ultracapacitor.

DaimlerChrysler, General Motors and Ford are in the final year of a five year cost sharing contract which has produced concept vehicles capable of 80 mpg through hybrid electric vehicle technology.

The seminar dealt with the timetabling of the introduction of such vehicles and how hybrid technology will impact on fleet operations.

#### **Succeeding with change: creating "connectedness"**

A seminar that looked at specific, practical strategies to cope with change such as: altering your personal perception to create greater success, creating working partnerships with internal/external customers to develop greater loyalty, productivity and profits and how to feel confident about your own ability to control change.

#### **Total solution cards**

An introduction and overview to current card technology and Total Solution Cards. Not all fleets are the same so be careful to assess the economics and viability of cards for the needs of your own particular fleet. Measure whether cards really enhance productivity for drivers, fleet managers and overall fleet operations and introduce systems to review and introduce Total Solution Cards to fleet operations.

#### **Fleet troubleshooting**

A networking session in which fleet managers exchanged views and ideas on how to establish a fleet policy review system to anticipate potential problems, how to use monitoring techniques to catch policy exceptions and how to apply proven solutions to common fleet management problems when they occur. Case studies looked at the administrative and legal considerations regarding the malfunction of air bags and the installation of deactivation switches.

#### **Washington**

#### **PHH Vehicle Management Service**

More than 50 years old PHH is one of the leading American fleet management companies and provided the tour with an example of how technology has been employed to have a positive impact on fleet management.

The entire Study Tour party was impressed by the advanced technology employed and the enthusiasm of PHH staff for the system.

Within the last 18 months PHH has introduced innovative information technology allowing customers to access reports on-line via the PHH website. Data is complete, detailed and the system is interactive.

PHH are also extremely pro-active in terms of service to customers. For example, they provide a free consultancy service tracking vehicle recalls and modifications by manufacturer and then advising clients with such vehicles.

In discussing the changing environment of fleet management the consensus was new technology created less 'physical' work by reducing paperwork but the same technology meant work had to be actioned faster.

### **GSA Federal Vehicle Policy Division**

General Services Administration (GSA) are policy makers for 600,000 vehicles controlled by 28 Federal Government Agencies the largest of which is the Postal Service and GSA Fleet, vehicle supplier to federal agencies.

The US Government spends US\$1.0 billion on 57,000 new vehicles per annum, US\$564 million on repairing vehicles and US\$363 million on fuel.

### **US Department of Energy**

The visit demonstrated the many ways in which the Federal Government supported the use of alternative fuels with the introduction of legislation regarding the mandatory use of alternative fuel vehicles.

With tax breaks as an incentive companies have to fill quotas for such vehicles and the demand is leading more manufacturers to invest in the production of alternative fuel vehicles albeit slowly. For example, the US Postal Service is phasing in use of 6,000 electric vehicles over the next five years.

However, the consensus was until the system changed to one of compliance and away from the existing one of support examples such as the US Postal Service would remain the exception rather than the rule.