

Cutting costs without cutting efficiency

10 small changes that could make a big difference to your business

For small business operators focused on growing or maintaining their businesses, cost savings can often fall on the backburner. We look at the top 10 ways businesses can cut their vehicle costs.

1. Reconsider your vehicle choices

Re-evaluating the types of vehicles you're running can prove a quick way to cut down on vehicle and running costs, including downsizing to a smaller class segment of vehicles and moving to more economic engines. Switching to ultra low emission vehicles can also bring additional benefits including savings in road tax, company car tax, capital allowances and Congestion Charges.

2. Implement fuel management

Fuel is the second largest area of company car spend after vehicle depreciation but one way to cut costs is by using a fuel card, such as that offered by Lombard Vehicle Solutions (LVS), which can provide your company with comprehensive fuel management reports to help cut fuel expenditure. Telematics technology, such as the LVS ProFleet2 system, can also slash fuel costs, firstly by helping ensure accurate mileage claims but also to identify those employees whose driving style requires addressing.

3. Adopt driver training

This can be used alongside telematics to target those employees who need to adjust their driving behaviour. Courses such as those offered by LVS can typically help drivers achieve fuel savings of around 10-15% as well as improving their road safety.

4. Consider funding options

Whilst outright purchase is often used to obtain business vehicles and brings a number of benefits, a number of smaller businesses are recognising the advantages of contract hire, including accurate cash flow forecasting through fixed business vehicle payments.



5. Adopt a TCO policy

Using total cost of ownership – not purchase price or P11D banding – to base choices on will provide an accurate picture of a vehicle's true costs across its lifetime with your business. A reputable contract hire provider like LVS will be able to use financial modelling software to help you with this.

6. Cut down unnecessary journeys

Implementing a policy of assessing planned meetings to see if they can be conducted via a conference call, video conference or online presentation will cut fuel and vehicle costs but will also bring valuable time savings to your business.

7. Tackle accident management

Turning to an accident management provider can significantly reduce the costs incurred by road accidents by reducing repair costs, getting drivers back on the road as soon as possible and helping to reduce the likelihood of further accidents.

8. Extend replacement cycles

The vast majority of businesses running company cars currently use replacement cycle of around three years. Increasing this can bring immediate savings including through reduced monthly lease rates but it's important

to conduct a thorough TCO analysis to make informed choices.

9. Attend to the 'grey fleet'

Using private cars on company business could be costing your business dearly, including through mileage reimbursement rates. Instead, it's worth evaluating options such as public transport, rental or smarter working methods as before.

10. Address daily rental usage

Daily rental can prove an effective part of business transport policy but only if effectively managed. Consider setting guidelines on the size and types of vehicles that employees can hire and consolidating suppliers. Also ensure drivers return vehicles with full fuel tanks and check out the small print in advance for any nasty surprises.

If you would like to find out more about what Lombard Vehicle Solutions could do for you, or would like to see our vehicle special offers, please click [here](#).

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