

BUILDING A BUSINESS CASE FOR BEVS

Guide

BUILDING A BUSINESS CASE FOR BEVS

The year 2020, was coined by many in the fleet industry as ‘The Year of Electric’ although this seems to have been put on hold, due to COVID-19. That said, the case for businesses to start adopting battery electric vehicles (BEVs), both financially and environmentally, remains strong. If you’re looking to make savings and future proof your fleet, then you should be investigating the opportunity and benefits of adopting BEVs into your fleet mix.

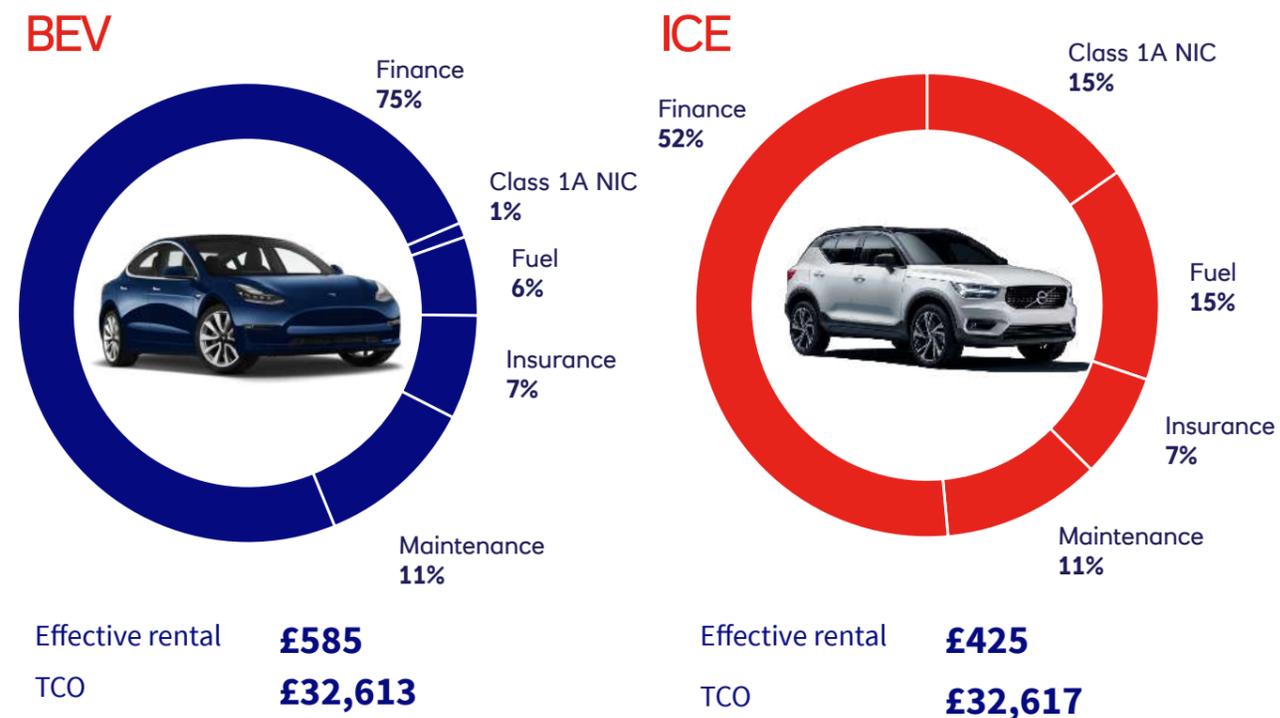
The Government is currently driving vehicle driver choice towards BEVs, with the ultimate goal of achieving zero emissions in its Road to Zero strategy, by offering incentives to adopt low or zero emission vehicles. Some of these incentives include 0% BiK rates, £3,000 BEV grants (for vehicles costing less than £50,000), zero Vehicle Excise Duty (VED) payable, 100% First Year Allowance and charge point grants for both businesses and homes. These incentives are likely only to be available for a limited period, so if you feel that BEVs would work for your fleet then there is no time like the present!

Collectively, these incentives contribute to a strong financial case to adopt BEV technology. To gain an insight into the overall potential savings, a Total Cost of Ownership (TCO) analysis should be used. Calculating a vehicle’s TCO provides a granular picture of the financial impact on your business providing a vehicle over its whole lease. The pie charts below are based on the average TCO of ten Internal Combustion Engine (ICE) vehicles and ten BEVs on a 48 months/20,000 miles per annum (14,000 business and 6,000 personal).

Total Cost of Ownership BEV vs ICE comparison

This type of calculation can show that, depending on the vehicles you have on your fleet, the savings available by changing to BEVs are tangible both financially and environmentally. However when choosing to move to BEVs, unlike ICE alternatives, there isn’t a one size fits all option for your drivers. BEVs will be viable for some of your drivers, but maybe not all. At the moment, care must be taken when drawing up your fleet policy to ensure the right fit.

Calculating the true TCO of your fleet and identifying those drivers who would benefit from a BEV can be challenging. If you’d like to discuss this further, please contact your Account Manager or our Business Intelligence and Consultancy Team who are able to assist you in producing a TCO analysis to help shape your future fleet policy.



If you would like to discuss the changing landscape of fleet management and how to prepare for this then please get in touch with your Account Manager or our Business Intelligence and Consultancy Team.

Tel: 0117 908 6490 or email us at enquiries@lombardvehiclesolutions.com

You should seek independent advice to determine if this product is suitable for you. Security, in the form of guarantees or indemnities, may be required. Product fees may apply. Finance subject to status and is only available for business purposes. Lombard Vehicle Solutions (LVS) is provided by ALD Automotive Ltd (ALD), trading as Lombard Vehicle Solutions, Oakwood Drive, Emersons Green, Bristol, BS16 7LB. LVS is a product solution provided for Lombard by ALD and there is a financial connection between Lombard and ALD as a result. The arrangement ensures that Lombard customers as well as those of National Westminster Bank Plc and The Royal Bank of Scotland plc have access to a wider range of products to meet their vehicle asset finance needs. Customers whose agreements are regulated by the Financial Conduct Authority should be aware that Lombard is acting as a credit broker and not a lender, and that Lombard will receive a payment from ALD should you wish to proceed with an agreement. You can ask Lombard or ALD for more information about this.

Let's talk

☎ 0117 908 6490

✉ enquiries@lombardvehiclesolutions.com



www.lombardvehiclesolutions.co.uk