

# YOUR BUSINESS FLEET AND HOME WORKING



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With working from home becoming more common and video calls replacing many face to face meetings, you may be wondering what that means for your fleet.

For example, say you had an employee that drove a vehicle on a 48-month 80,000 mile contract. Typically, they covered around 500 private miles a month, and worked from home one day a week, travelling to meet customers on the other four days. Factoring in public holidays and annual leave, they were on the road for 46 weeks of the year.

Now, they have reduced their business travel to three days per week, digitally meeting clients instead of face-to-face. This reduces their business mileage by 25%, from 14,000 miles to 10,500 miles a year.

These lower travel times means the running costs of the car such as fuel, maintenance and insurance have been reduced, saving your business money and lowering the total cost of ownership (TCO) of your business vehicle. TCO looks at your vehicles' costs over the whole time you use them, assessing the direct and indirect expenses of a vehicle across its lifecycle.

This could also mean you could save money by rescheduling your vehicle's agreement based on a lower contract mileage. Plus, by travelling less, there is less risk of damage, parking costs, tolls, fines and penalties, plus the actual cost of an employee's time when they are just driving - all significant expenditure to a business.

Home working and digital meetings can help you save money while you adjust your working model, especially when you think about these savings across your whole fleet.



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Using the above example, here's what the additional cost savings from increased remote working could look like:

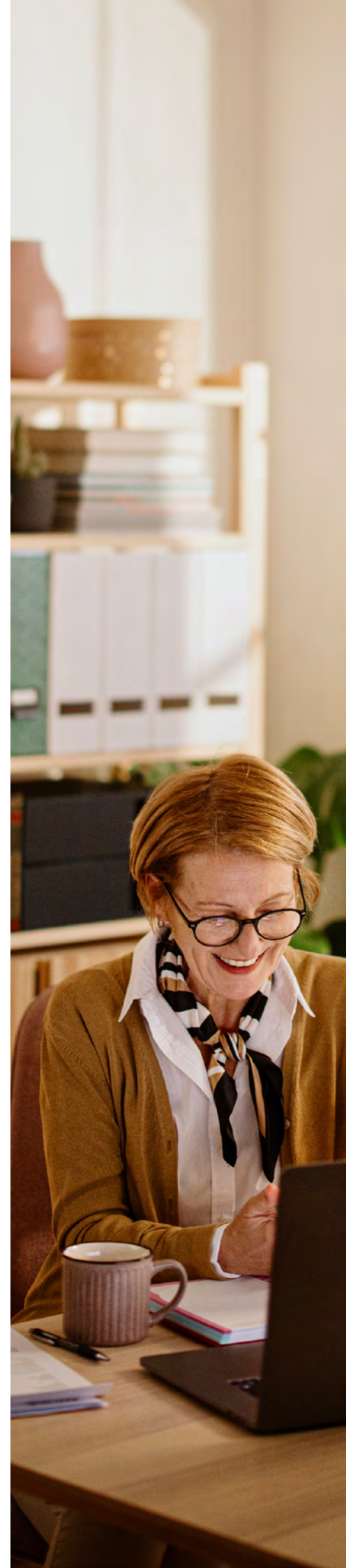
Expenses	Cost
An employee travels 90 minutes each way to a meeting	£75 (£25 per hour, based on the UK average salary)
Expenses – coffee each way	£6
Client lunch	£20

In the above scenario, the cost of one face to face meeting on one day adds up to at least £101, and if an employee is a higher earner, the cost can very quickly escalate.

If one face-to-face meeting was converted to a video call one day a week, it would save your business over £4,600 a year, or more than £18,000 over a 48-month lease contract. This saving could be more than the vehicle's rental cost, based on the revised mileage term. When combined with TCO, this could save you over £20,000; that's an 8.5% cost reduction.

If you're thinking of flexible and remote working options, be sure to consider how you can take advantage of the reduced mileage. Fleet managers should look at how these long-term business changes will help you re-assess and reduce your fleet and mobility costs. It is also worth remembering that the greenest mile is the mile not driven.

Consideration should also be given to battery electric vehicles (BEVs) as well. There are currently a few BEV incentives and workplace charging grants, as well as tax incentives for businesses available until 2024. Make sure to switch now to take full advantage of the benefits.



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Let's talk

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