

Fleets Start to Consider Electric and Hybrid Vehicles

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Some companies are starting to add Electric Vehicles (EV) & EV-Hybrid vehicles to their company fleets. But most Companies have been reluctant to make a wholesale shift to EV technology, because they:

- Don't have the data on true driver usage or
- Don't know how to do the analysis on the data their Fleet provider has or
- Don't think enough charging stations are within the drivers travel ranges.

Companies also have been reluctant to take on the fear, paranoia, or downright resistance to change by their employees. They know many employees also use their fleet cars as their personal vehicles, for local driving and vacations. So, there will be huge employee issues if the driver's ability to use the vehicle for long personal trips is limited.

The transition from fossil fuel may be harder than the creation of the entire auto industry. That is because the auto industry grew slowly, from nothing and, as adoption of the vehicles increased, the support services grew in tandem. Now that the infrastructure exists, it is easier and less painful to squeeze out efficiencies, than to replace it all.

For all Fleet management, while the move to Flex fuels was relatively easy and had little downside risk, the move to EV only units will be extremely unpopular, due to fears of being stranded. However, Fleet Managers and HR leaders are beginning to "trust" the hybrid technologies a bit more, and the gas/electric appears to be the best pacifier. Like the Flex Fuel units, the Gas fall-back alleviates many fears about being stranded.

Since the cost of a mile driven on electricity is about 1/3 to 1/5 that of a mile driven on gasoline, Fleet managers should be considering both the EV and Hybrid options. As charging stations increase, more adoption of EV units will add demand for more EV stations and the transition could feed on itself.

Today, there are 2 drivers that are moving the industry toward Electrics and Electric Hybrids:

1. EV infrastructure is being created and
2. Gasoline is costly and supplies are volatile

In certain areas, EV infrastructure will arrive faster than others, but the Gas/Electric Hybrid makes that slightly less restrictive, as some companies offer charging locations to employees and the gas backup gives an alternative to charging. In addition, as the Gasoline costs rise, (some predicting \$5+ per gallon during peak driving seasons this year), the payoff in fuel cost reduction can make the move to electrics a net savings, too.

As Fleets adopt these vehicles, employees will get familiar with “plugging in” and enjoy the quiet, smooth experience of electric propulsion. However, Fleet Managers will need to be keenly aware of where infrastructure exists, how and where their vehicles are used, and how receptive their drivers are to the technology chosen.

The Fleet Management industry is also preparing for the transition. Some Leasing companies have moved some of their own drivers to Hybrids, both as tests and to gain experience to transfer to their clients. In addition, some of their clients are beginning to mandate some transitions, for the same test and experience reasons, in areas where infrastructure and driving habits fit the model.

If you aren't currently considering it, maybe the time has come to do so. It can truly pay to be “Green!”

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