

Kelley's Corner

“ I Don't Care How Much It Costs – We Need to Control Expenses”

The title seems to be an oxymoron. What it refers to is the gap between senior management perceptions and accepted principles of fleet management.

Two common scenarios are:

1. The transportation based business with a fleet maintenance component.
and
2. Government fleets with internal fleet maintenance.

In the first case, the business owner may have acquired a basic understanding of maintenance cost control of a small fleet while building his business, but as the fleet becomes larger, his tactics may be counterproductive. A further complication can be introduced when an academically skilled manager is hired by the owner to oversee the fleet manager. The academic's training and experience may not be relevant to sustainable cost control.

In the second case, the governmental organizational structure is often based on seniority, with little skill matching on the technical side. I have seen fleet managers reporting to operations managers, finance managers, procurement managers etc. whose career paths are startlingly divergent from maintenance management.

Most non-retail managers are trained to manage budgets by controlling unnecessary expenses. There is little choice since the revenue (budget allotment) is fixed. Some attempts are made in the government fleets to support additional operating costs through departmental charge backs, based on operating cost per hour calculations, but this what I call “arrears” budgeting. “Arrears budgeting” has drawbacks which will not be explored at this time.

The point is that fleet managers are often directed by well meaning senior managers to take measures, which may provide short-term gain but compromise availability, safety and sustainability. So how does a fleet manager stay employed when she/he is guided down the path of self-immolation?

There are key elements for success that the fleet manager must action to be successful. She/he must:

- Gain the confidence of senior management
- Understand and use maintenance key performance indicators
- Demonstrate that the maintenance facility is running efficiently

I have backed myself in to a corner again with generalities. If you want the details “Survivor – Fleet Manager”, I'll see you next month.

Kelley