

## **VEHICLE DOWNTIME DOESN'T HAVE TO MEAN EMPLOYEE DOWNTIME**

**Kevin O'Keeffe, Head of SME, Europcar examines some of the unexpected costs facing firms that need vehicles to do business.**

Whether it's a mechanical problem or an accident, downtime of vehicles being used by employees is a fact of life for businesses. But for many small firms, the impact of that downtime is hard to anticipate – or measure.

A recent RAC business survey of 1,000 companies found that 20% are spending more than £2,000 per car on annual service, maintenance and repair. And whilst repairs and maintenance costs – as well as downtime - can be allowed for, there are always surprise breakdowns or accidents, which not only put a strain on budgets but can impact overall business productivity.

Lost productivity as a result of having a vehicle sitting in a workshop is difficult to calculate – and particularly difficult to anticipate! Deliveries could be delayed and meetings cancelled as a result of vehicles being out of service. Of course, extra workload could be added to other company vehicles but this will, in turn, increase wear and tear, bringing increased costs further down the line.

The other cost challenge for small businesses is fuel efficiency. Small firms can't afford to constantly upgrade vehicles, but if they are using vehicles more than five years old they are probably not able to benefit from the newest technologies. With fuel price volatility a real worry, if there's a way to tap into low emissions vehicles, this could make a real difference to budgets already under pressure.

According to recent Petrol Retailer Association research\*, motorists expect fuel to go up by as much as five pence per litre by the end of 2016 due to the weak pound and rising oil prices. Implementing green initiatives or updating vehicles for newer, greener models could, therefore, create significant savings for businesses.

Easier said than done, businesses may think, but car and van hire offers a neat alternative for firms looking to drive up efficiency and control their costs.

Choose a provider that offers access to newer, well-maintained fleets to benefit from the latest eco technology and the most fuel efficient models. Businesses can also eliminate all

those fixed costs, such as depreciation and insurance by using vehicle hire solutions that work with their business. And, of course, vehicle hire will fill the gaps caused when accident or repairs take the usual company cars and vans out of commission.

\*<http://www.dailymail.co.uk/news/article-3831143/Fuel-prices-set-rise-5p-litre.html>