

The brakes have been off this past year since fleet management firm Alphabet celebrated its tenth anniversary and the company continues to grow. Head of Alphabet Karl-Heinz Kral spoke to European CEO

Alphabet, the fleet management division of BMW Group, has been very busy during its tenth anniversary year. When the multi-make fleet service provider, which first opened in the UK in 1997, celebrated its official tenth birthday in March last year, the company announced that it had 186,114 units under management with more than 440 employees across 14 countries.

Since then, Alphabet has bedded down its 2007 acquisition of LHS Leasing-und Handelsgesellschaft and DSL Fleetservices in Germany, resulting in a combined portfolio of approximately 250,000 vehicles. Alphabet also opened its first office in Mexico last year and another office in Denmark where the car market totals about 150,000 units per year, with almost half being company cars.

Today, Munich-based Alphabet is active in 15 countries with more than 680 employees and 12,000 customers – of which 24 percent consist are international customers.

It is one of the Top 10 European fleet service providers and one of the top three fleet service providers in Germany. Quite a few executives have sung the plaudits of Alphabet during its tenth anniversary, calling the company an upmarket, fast-growing international fleet management firm which offers cross-border services in the European fleet market.

“The key factor in our growth has been our customer focus since day one and, most importantly, the confidence that our customers have put in us,” said Karl-Heinz Kral, head of Alphabet since October 2004.

“From the beginning Alphabet’s customers were demanding high quality services. And that’s exactly what we have been delivering for the past 10 years. Our innovative services support both the Fleet Decision Maker and the driver.”

Alphabet employees understand customer requirements inside-out thanks to the company’s professional team, said Mr. Kral. “We continue to win new customers and strengthen existing relationships with national and international customers.

“We treat our customers as more than just customers – we treat them as partners. This means we value the success of our customers’ business as highly as our own, be it by developing car policy strategies and e-business applications which fit individually or be it by offering multi-make, neutral consultancy for profitable fleets.”

Changes since 1997

Much has changed over the past decade, which Alphabet has recognised. The market has changed, technology has changed and so customers need changes, too.

According to Mr. Kral, “As a service provider you have to be committed to innovation in products and services, and we lay the foundations for even better services with harmonised products and services across markets, as well as e-business extensions.

“And our customers highly appreciate our relationship management approach with our close-knit international team: the local teams are the in-country experts and provide local account management,

whilst the international team streamlines communication, supports the countries and provides account management for customers with global fleets.

But just because Alphabet has celebrated its tenth year doesn’t mean the company plans to stand still. “Alphabet is one of the fastest-growing international fleet companies with an average growth rate of 28 percent over the past five years.

“As a company with a multi-make full-service offering, Alphabet has real potential for continued high growth in a market segment that is developing dynamically.” In the near future, Alphabet plans to bed down its acquisitions of LHS and DSL Fleetservices and align its national and international activities. The firm also plans to continue development in three main areas, said Mr. Kral. “Firstly, it will be working hard to provide customers with sustainable solutions which remain efficient and economic, and in line with customers’ own corporate goals.

Secondly, the issue of duty of care will continue to grow, and Alphabet will support the efforts of manufacturers and politicians where corporate responsibility towards company car driving employees, their families and the public is concerned.

Thirdly, Alphabet is seeing increased demand for international and integrated fleet solutions, and will work with its clients to provide such services in all the countries of the European Union as well as further a field such as in Australia and Mexico.”

Alphabet believes that it has a unique approach to fleet management because it supports all customers – both fleet managers and drivers – across the extended fleet management and leasing spectrum with premium services quality and innovative fleet solutions.

“Every Alphabet employee is charged with finding ways to make the difference for our customers,” said Mr. Kral. “Our people have a good spirit of teamwork that extends across borders and between functional areas. This is one reason why Alphabet is one of the fastest-growing international fleet service providers in the industry.”

AlphaDrive

Among the services the company provides is AlphaDrive, which is for companies that wish to provide cash allowances instead of company cars to their employees and who

want a motivating mobility solution while outsourcing the administration of these vehicles to Alphabet.

Through AlphaDrive, said Mr. Kral, “the employees are able to select and pay for a car of their choice under a leasing scheme. The car comes with a full service package (called ‘full operational leasing’). At the end of the lease period, the employee can opt either to keep the car or sell it back to Alphabet. In practice this means that employees can enjoy all the benefits of a company car, at their own cost.”

The main benefits of AlphaDrive include that it allows for easy implementation at low cost; and that companies maintain their corporate purchasing power, limit their exposure to risk and at the same time enhance their attractiveness as an employer. For the employees, it also means that they receive value for money, have access to a hassle-free mobility solution and can budget their cost of ownership.


Sustainable Fleet Management

Alphabet also supports sustainable fleet management, which within the company means unifying efficiency aspects with the environment. Sustainable fleet management is important, as company cars make up between 37 percent and 44 percent of new car sales within certain European countries. This means that the fleet market plays a critical role in meeting carbon dioxide reduction targets.

“Through tailor-made consulting throughout the customer relationship, a sustainable managed fleet will create positive effects in terms of total cost of ownership, profitability, productivity, employee attraction and corporate image,” said Mr. Kral. To begin with, a sustainable managed fleet will improve fuel efficiency by offering driver training, tyre management, service, maintenance and repair, said Mr. Kral. Sustainable fleet management also will include mileage management. “Improved navigation systems and route planning help save time and energy as well as increasing productivity.”

Alphabet also advises its customers on appropriate energy efficient vehicles that emit lower CO₂ and consume less fuel to tie in with their car policy strategy. In addition, Mr. Kral added, “we must focus on drivers themselves with Driver Risk Management to remind them of their responsibility.

“An example of this is the Alphabet Safety Guide which trains drivers in responsible behaviour and sustainable driving.”

The new Alphabet sustainability tool is also unique in that it enables fleet managers to calculate and quantify a fleet’s sustainability. This leads to real-term savings for both clients and the environment. 

About Alphabet

- International fleet finance and management solutions
- 279,843 units under management, end of December 2007
- Over 28 percent average annual growth over last five years
- Multi-make provider
- Division of the BMW Group

Alphabet benefits

- Strong Customer Orientation
- Competitive sustainable pricing
- Premium services and technology
- Future investment
- Flexibility and spirit

Products & Services

Finance Management

- Operating lease/contract hire, including purchasing and remarketing
- Finance lease
- Employee car schemes
- Sale and lease back

Fleet Management

- Direct driver communication
- Maintenance & repair
- Tyre management
- Fuel management
- Motor insurance
- Vehicle-related fees
- Accident management
- Roadside assistance
- Replacement vehicle
- Logistics
- Fine management
- Pre-contract vehicles
- Online fleet reporting

Strategic Management

- International and local account management
- Fleet consulting
- Process consulting
- Manufacturer negotiations
- Market intelligence

For further information:
 www.alphabet.com

Alphabet speeds up