

# 300,000

cars under management  
times proven competence  
drivers on their way

## 300,000 fleet vehicles

Kuehne + Nagel and Alphabet International  
celebrate a joint success story.

With over 52,000 employees and 830 branches in over 100 countries around the globe, Kuehne + Nagel is one of the leading international logistics service providers. Established in 1890 in Bremen, the company has since developed a worldwide network to meet customers' increasingly global requirements. „With our strong organic growth and following several acquisitions Kuehne + Nagel's European business car fleet has become increasingly diversified," says Frank Teege, Kuehne + Nagel's Vice President Corporate Purchasing. „Therefore we started looking for an international full service provider early in 2000, which could show us solutions for the complexity of our pan-European business car fleet."

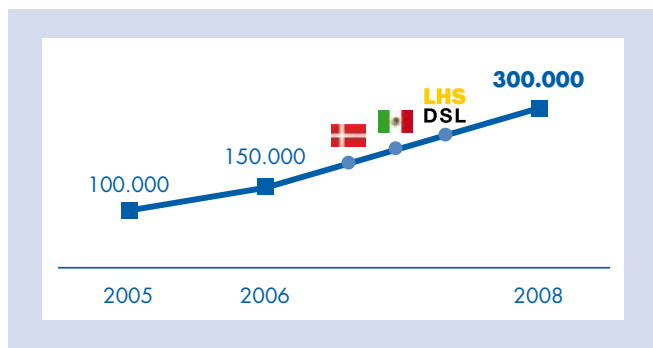
### Linking national and European interests

With the acquisition of ACR Logistics, one of the top European providers in the "Contract Logistics sector", the Kuehne + Nagel business car fleet became more diversified. One of the major challenges for fleet management as part of a harmonisation process was to integrate local requirements in order to create the basic conditions for acceptance in each country. „In addition to reducing complexity by bringing the entire business car fleet under international management another vital issue was to use its concentration to exert greater influence over purchase prices," recalls Christel Reynaerts, Alphabet's General Manager International Sales + Key Account Management. „We are constantly examining our solutions and we have institutionalised regular, face-to-face review meetings to share ideas."





### Alphabet International Flottenentwicklung



#### Growing together

Kuehne + Nagel hired Alphabet for the first time in 2000 for the German and British markets. As the partnership proved successful, Kuehne + Nagel invited Alphabet in 2003 to tender for a European contract. Since then the Munich-based fleet services provider also takes care for Kuehne + Nagel’s business car fleets in eight more European countries – France, the Netherlands, Belgium, Austria, Switzerland, Spain, Sweden and Norway. That way the cross-border partnership developed largely in parallel with Alphabet’s market expansion in Europe.

A key element in opting for Alphabet was its strength in the international key account management area where it has a tightly-run international network and works very closely with local branches. Alphabet was the driver behind Kuehne + Nagel’s business car fleet harmonisation process and could bring in its in-depth understanding of regional differences. This played a crucial role when advising on car policy. In the process, Alphabet benefited from the experience through the internationalisation of its business, which went hand-in-hand with rapid growth in the total number of cars managed.

#### Premium quality for any fleet size

„The demands we make on a fleet service supplier have always been very challenging. Firstly, it is essential to have a single, central point of contact - a key account manager - for each country: someone we can turn to at any time and who has internalised our corporate philosophy. Secondly, at Kuehne + Nagel we regard a premium service as being one in which the fleet services provider proactively reviews and improves our existing business car fleet strategy,” explains Frank Teege, the respective person in charge at K+N. „It wasn’t easy to find this type of provider. Moreover, we had the impression that international account management is only provided once business car fleets go beyond a certain size.“ When it came to selecting a pan-European fleet manager, Alphabet stood out from the various providers. Even with medium-sized fleets it did not just meet Kuehne + Nagel’s needs, but had gone well beyond these in terms of developing fleet strategy and implementation processes. „For the EU harmonisation we were reliant on a partner with expertise and deep commitment,” adds Frank Teege. In the years that followed, major challenges were overcome. For example, Kuehne + Nagel’s fleet size was multiplied in 2005 with the acquisition of ACR Logistics. The structured and transparent implementation of international key account management and the personalised support that Alphabet gave to local fleet managers were instrumental in the successful integration. **„We’re delighted that we can celebrate, together with Alphabet, the handover of the 300,000th car. For us, this confirms that Alphabet, with its superb customer focus, has developed remarkable potential for growth,”** emphasizes Frank Teege.



## Alphabet International's premium services:

1. International Key Account Management & personal FDM support:
  - Structured and transparent implementation
  - Systematic review meetings
  - Methodic pricing benchmarks and cost reviews
  - Strategic consulting
2. Advanced E-Biz
  - Internationally consistent E-Reporting services

### Highly competitive

Throughout its long-time relationship with Kuehne + Nagel, Alphabet has consistently identified new ways of making further improvements at all levels of the partnership. „Every quarter we produce sample quotations and a report on pricing and fleet trends,“ explains Silke Schmädeke, International Key Account Manager at Alphabet and currently responsible for Kuehne + Nagel. „Not only our customers benefit from this. It's also important to us, as a provider, so that we can continuously monitor and optimise our competitiveness.“ Working for Kuehne + Nagel means that Alphabet is always faced with competition from one or two fleet service providers in every country.

### Drivers' customer satisfaction

The human factor is always key to any strategy that Alphabet draws up. The User Choosers depend on their vehicle as their means to work – and there is the motivation aspect. „It is vital that there are smooth workflows in place, e.g. when vehicles are at the garage, or suffer breakdowns or accidents,“ says Frank Teege. Therefore in 2005 Alphabet conducted a survey of driver satisfaction. They were questioned about such issues as their relationship with Alphabet, ordering, delivering and returning vehicles, and technical services. The high response rate of almost 75% confirms that drivers want their needs to be considered at an early stage. „Alphabet demonstrates enormous commitment in this respect and we shall continue to benefit from this,“ adds Frank Teege.



### The future starts today

Ongoing improvements in processes and services are crucial if future challenges are to be overcome. Therefore, Alphabet has among other things set up regular review meetings as part of their international key account management. They follow a structured process. Firstly, the local account managers in each country look at the current and future challenges facing the regional fleet market. In particular, there are analyses of national laws and general taxation, and specific issues such as CO<sub>2</sub> taxation. In parallel, the local account manager visits the customer's fleet manager to discuss existing solutions and possible new ideas. In the second step, they pass on the information they have acquired to Silke Schmädeke, the International Key Account Manager. Now the information is consolidated, best practices are assessed and the applicability for customers in other countries is studied. There is also a parallel, close dialogue with customers at the international level. In the case of Kuehne + Nagel, Silke Schmädeke and Frank Teege analyse the international applicability of new processes and services. At this point the main task is to find solutions which will enable the international implementation to be as uniform as possible, whilst taking regional needs into account. The third step is when implementation strategies are com-



municated back to the countries by the same path. „This is the best way of learning about current trends and needs in each country,“ says Silke Schmädeke. „In the case of Kuehne + Nagel we’ve identified valuable best practices, particularly in the car policy area, which have enabled us to broadly harmonise implementation across every country with respect to issues such as driver safety (fitting vehicles with Bluetooth, Navigation Systems, etc.) and cutting damage rates using Park Distance Control.“



### **The company**

As one of the fastest-growing international providers of fleet management, financing and leasing across all brands of vehicle, Alphabet grew by around 56 % last year (during the past five years the company has enjoyed average growth rates of around 33 % per annum). The number of units Alphabet manages continued to grow throughout 2007 to a figure of 279,843 units by the end of the year. Continued organic growth plus the acquisition of LHS Leasing- und Handelsgesellschaft Deutschland mbH and DSL Fleetservices GmbH played an important part in these increased profits. Adjusted to exclude the additional units from the acquisitions, organic growth was around 21 %. With the acquisitions, Alphabet has now become one of Europe’s ten largest fleet service providers and one of the three largest in Germany.

Founded in 1997 in Great Britain, the company now manages around 300,000 cars in 15 countries. As a member of the BMW Group, Alphabet meets the same quality standards, commitments to excellence and a passion for creative, customised and sustainable solutions. Alphabet has branches in Australia, Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Great Britain, Spain, Sweden, Switzerland and Mexico. The international headquarters is in Munich, Germany.

### **Contact Alphabet:**

Alphabet  
A BMW Group Division  
Alexander Beck  
International Marketing Manager  
Lilienthalallee 32  
80939 Munich

Phone: +49 89 382-52141

Fax: +49 89 382-37702

E-mail: [alexander.beck@alphabet.com](mailto:alexander.beck@alphabet.com)