



BUSINESS BRIEFING

Are your vehicles driving your business or holding it back?

Even in today's connected world, few businesses can succeed without vehicles to keep you moving. But with so much uncertainty and complexity for businesses to get to grips with, as well as constant changes to legislation, there's little time left to worry about whether you're driving the right vehicles or if they're leaving you out of pocket.



The incoming Clean Air Zones would affect 78% of the small business vehicles on the road today.



Having a company vehicle off the road can cost up to £727 a day in expenses and missed revenue.



The cars and vans we drive are more than just four wheels. They are portable workplaces, mobile advertisements and often the most visible part of a business.

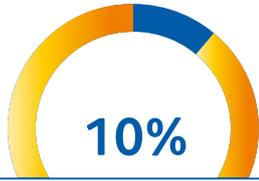
At Alphabet we understand time is precious and you've got more pressing things to think about. But we also know that choosing and running a fleet of vehicles can be a potential minefield that keeps business owners awake at night.

So, we've put together some essential 'business briefings' – packed with practical tips and handy advice – to help make choosing your next vehicle feel less like a voyage into the unknown. As one of the UK's leading leasing companies and mobility providers, we wanted to share our knowledge and expertise to help ease the strain.

Ultimately, the ways in which you buy, manage, maintain and use your vehicles can have a serious impact on the success of your business. Get it right and you can eliminate unnecessary costs, reduce overheads and free up vital capital. Get it wrong though, and the cost to you and your business can be more than simply financial.

With so many different considerations to think about and potential pitfalls to avoid, it's easy to feel overwhelmed. But Alphabet is here to help relieve the headache of choosing and managing your company vehicles, so you can concentrate on what really matters to you and your business.

Do you know the **real** cost of your next company vehicle?



Simple steps such as correctly inflating tyres and planning journeys can cut fuel consumption by 10%.



When it comes to costs, transparency is key

The most important thing is having the right information so you can make a true comparison over the active life of the vehicle – not just the cost upfront. A lower initial price for a vehicle could easily end up costing you much more in the long run through higher fuel costs, maintenance bills, increased emissions and taxation. It's critical to look at the total cost of a vehicle over the four, five or more years that you plan to use it.



It's not only the running costs of a vehicle to consider

What is the 'opportunity cost' of tying up your scarce company resources in a vehicle, rather than using this capital to help grow your business? Is it really financially sensible (or sustainable) to buy a vehicle asset and run it into the ground until it's worthless? Leasing vehicles rather than purchasing them not only frees up much needed capital, but can also deliver cost and VAT savings. As well as helping you to budget for and manage unplanned costs, such as maintenance.



Any money saved goes straight to your bottom line

Being able to save money on the cost of your vehicles effectively adds to the bottom line profit of your business. So investing a little time to consider your options and make the right vehicle and funding choices might be one of the most rewarding business decisions you make this year.



Vehicle downtime costs more than you think

You may not realise it, but recent surveys show that having company vehicles off the road can cost a business £727 a day in replacement vehicle costs, wasted employee time and missed opportunities. That's not to mention other avoidable expenses, such as inefficient fuel consumption, capital demands from commercial vehicle conversions or the impact of incorrect payloads on everyday wear and tear.



Impending legislative changes can't be ignored.

The upcoming introduction of Clean Air Zones (CAZs) and localised air quality initiatives should also be a cost consideration. How much extra will it cost your business if the petrol or diesel vehicle you operate can no longer access those areas – or at least cannot do so without paying additional levies, such as London's recently introduced Ultra Low Emission Zone (ULEZ) charge?



Click here to be one of the first to receive the Alphabet briefing on how your vehicle choices can impact the financial performance of your business.

Do you **know** your CAZs from your BIKs?



Sometimes it must seem like people are speaking another language when talking about company vehicles, with references to acronyms like CAZs (Clean Air Zones), RFL (Road Fund Licence) or BIK (Benefit in Kind) taxation. There's a new acronym to become familiar with too: WLTP. Luckily, it's not quite as baffling as it may seem at first.



Will your old diesel or petrol vehicle be obsolete if you work in one of the soon-to-be Clean Air Zones such as Birmingham and Leeds? Lots of other cities around the UK are also looking to address air quality issues and with the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) from September 2018 – affecting BIK tax liability from April 2020 onwards but having an impact today – businesses need to be prepared.



No matter what the size of your business, you can't ignore the ever-changing regulations and legislation designed to reduce emissions, make the roads safer and ensure employees have a safe working environment. The question is, can you be absolutely certain that you're up to date with the latest changes in vehicle and employer legislation? Or that you're meeting your obligations?



You could view these new 'rules of the game' as a risk to your business, or they could also present an opportunity to do things differently and gain an advantage.



Click here to be one of the first to receive the Alphabet briefing on how to bring greater certainty in an increasingly uncertain world.



WLTP will affect Benefit in Kind (BIK) tax liability from April 2020 onwards.



Leased commercial vehicles can have a working life up to 5 years.



Are you sure you're up to speed with your responsibilities?

Whether you own one or one hundred vehicles, you have a 'duty of care' to your employees when providing cars and vans for both business and private use. It also applies if employees use their private vehicles on business. This includes everything from vehicle maintenance and employee safety, through to licence checking and driver training.

If something goes wrong or an important step is ignored, you – as a business owner or director – could be liable and in the worst cases, even face jail. Only three years ago in 2015 the UK saw the first instance where a company was charged under the 2007 Corporate Manslaughter Act.

As such, it's vital to make sure that you know exactly who is driving your vehicles and when, that you've done the necessary checks on your drivers and vehicles so that they are safe and insured to drive. It's equally important that you're keeping robust records of your checks, maintenance and management so they can be evidenced should the worst happen. New technology such as telematics and in-vehicle cameras are also helping to give businesses greater transparency and control.

Emissions from your vehicle fleet could even be an employee welfare issue. Recent reports suggest that those most at risk from air quality issues are those employees sitting in traffic all day inhaling tailpipe emissions from other vehicles.



Maintenance



Driver training



Employee safety



New technology



Emissions standards



Click here to be one of the first to receive the Alphabet briefing to understanding your changing responsibilities as an employer and vehicle operator.

Avoiding the **pitfalls** and making the most of opportunities

The world is getting increasingly complex and it's difficult to know what's best to do with so many different choices available. There's pressure on everyone to improve air quality and reduce emissions, improve fuel efficiency to save money, as well as manage those unexpected costs such as maintenance.

Success in business is about being in the right place, at the right time and making the right decisions. Making a quick decision about the vehicles your business uses could end up being extremely costly if you don't have the right information available or don't know the right questions to ask.

So next time, before you do anything about your company vehicles think about these questions:

- 1** Do you know how much your vehicles are really costing you over their active life? Not just in rental or finance payments but also in fuel, servicing, maintenance, insurance and taxation?
- 2** Have you considered how much savings achieved on the sourcing and management of company vehicles could add to the bottom line of your business?
- 3** Is your business capital really best utilised by being tied up in a vehicle that is going to be run into the ground? Could you invest that capital differently to help your business grow instead?
- 4** Are you up to date with the latest changes in emissions regulations, air quality initiatives and personal/business taxation changes? Have you considered how they will affect you and your business?
- 5** Should the worst happen with one of your company vehicles, are you confident that you understand your responsibilities as an employer and vehicle operator? Would you be able to demonstrate that you've fulfilled your statutory obligations in a Court of Law?

If you don't know the answer to some or all of these questions, don't worry. You're not alone.

Alphabet can help with our series of briefings designed specifically for businesses like yours. Through practical tips and constructive advice – from how to control costs, through to the impact of changing regulations and how to better protect your business and employees – we can help alleviate the hassle and worry of managing company vehicles.

You can also follow Alphabet (GB) on LinkedIn for regular updates and helpful information or click here to request our series of essential business briefings.

So if you're asking yourself who can help, the answer is Alphabet.

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