

CASE STUDY:

Arval helps Tennant Group clean up its fleet policy

Based in Northampton, Tennant Group is one of the UK's leading providers of sustainable cleaning solutions, operating under both the Tennant and Vaclensa brands. Two separate fleets, each consisting of around 60 cars and vans, are operated for these two companies, and Arval has worked with Vaclensa specifically since 2010.



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BACKGROUND

In 2019, the responsibility for the fleet passed to Michelle Terry, Head of Human Resources, who started to investigate opportunities for new approaches that would potentially bring cost savings and operational improvements.

"I had limited experience with fleet management, but I wanted to make sure that our operations were in line with the latest thinking, especially when it came to electrification, something for which we were seeing increasing demand from drivers because of the low benefit-in-kind rates that electric vehicles (EVs) attract.



Out of the two suppliers that we used for the two fleets, Arval was by far the most proactive, so we began to have conversations about how we could effectively outsource our entire fleet operations to them as our sole partner.



METHOD

Danny Goggin, Arval's Corporate Business Manager in charge of the relationship with Tennant Group takes up the story.



A key part of our relationship with Tennant Group is that they are very open to suggestions. Their approach is very much to tell us what they want and then look to us for suggestions that we all believe will deliver the required outcomes.



"So, we decided to take a top-to-bottom look at the entire fleet and brought in Ben Edwards from our consultancy team, who was able to examine the customer's priorities in-depth. We came up with a number of very useful ideas, the most important of which was to introduce a whole life cost (WLC) based method of deciding which vehicles would be added to the company car policy."



RESULTS

Michelle said: "As a result of the consultancy exercise, a whole new fleet policy was introduced and, out of all the changes made, the switch to WLCs has been the most decisive. For the first time, we have had much greater visibility in terms of how much vehicles are costing us and our employees, and this has prompted a number of changes across the fleet.



**Up to
£250
per month saved
by switching to
electric**

"Probably the most fundamental is that we have redrawn our choice lists based on WLCs and are bringing all of the fleet onto a leased four year/80,000 mile model for the first time, rather than using mixed acquisition methods. This has been important because it means we can offer a more appealing range of better-equipped vehicles than previously, which

is increasingly important in our sector from an employee attraction and retention point of view.

"Crucially, thanks to the WLC method, we've also been able to include EVs and hybrids for the first time which we believe is an important move. Some of our employees have saved £250 per month by choosing an EV over their

previous internal combustion engine car, so this is a development that has been very well received within the company and we are already seeing a marked swing away from petrol and diesel."

Arval's account management team has been closely involved in helping individuals choose their cars on a case-by-case basis, she added.

"The change in the choice lists and the shift to electrification means that employees are thinking much harder about their car options and which vehicle is right for them. We've had cases where, after talking to Arval, people have switched from ordering a model with a 24% benefit-in-kind tax rating to one with 6%. That represents a substantial amount staying in their pay packet.

"This kind of expert support is exactly what I was hoping to find when I first took over the fleet and, in Arval, I believe we have found a professional, strategic partner with excellent service standards who can deliver exactly the kind of outsourced experience we desired.



The next step we are planning together is to look at the van element of our fleet, and we are very confident that we will be able to make improvements of a similar or greater magnitude to our car operations.



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