



Managing the complexity of your fleet EV transition

Helping fleet operators understand the challenges and build a vision for the future of electrification





Introduction

The world is racing towards net zero. And much of the responsibility sits with vehicles and transportation. In response, many fleet operators have set targets to electrify 100% of their fleet by 2030.

But fleets need to do more than just think about making a move towards electrification. With less than a decade to transform an industry that has been linked with the use of fossil fuels for over a century, the need to transition now is urgent.

It's true that many fleet operators have put plans in place to transition to electric vehicles (EVs). But it's also true that delivering on those plans will be the most complex challenge they are likely to face in their career.

This complexity has meant fleets – particularly those without the resources of huge firms – often get stuck on a trial phase. If they've started at all. Aligning the needs of stakeholders, developing charging infrastructure, sourcing and introducing new vehicles, as well as managing energy costs and requirements can feel like an imposing task. Even more so when these large changes to business operations have to be considered on top of the day to day running of a fleet.

Fleets can try to manage these challenges themselves, or they can look for a partner who can simplify the problem. This is particularly important as fleet electrification grows beyond trials to large scale adoption. Managing all the moving parts, procuring and connecting the right components, and balancing trade-offs within a solution all bring added difficulty.

The guidance, support, and technologies of an integrated partner are essential to the scaling, deployment, and success of your fleet's carbon reduction goals.

Grabbing the first mover advantage

Long term studies show that EVs have a lower or similar TCO compared to internal combustion engine (ICE) vehicles¹ and the increasing performance of vehicles, combined with government pressures, are making EVs a no-brainer. But the problem isn't the realisation that electric vehicles are the future – it's how to get there.

Fleet operators have to manage confusion around government funding support, supply chain constraints that limit access to the right volumes and types of vehicles, as well as psychological and cultural hurdles. Are electric vehicles up to the task for commercial usage? Can drivers and businesses still operate in the same way? Is different technology (such as hydrogen fuel) around the corner?

Being able to separate fact from fiction is of course a concern. But delaying today is only going to magnify the challenges faced in the future. Getting started with a partner who can help you overcome your obstacles will help you deliver on your ambitions sooner.

“RIGHTFUELLING”

IS THE TOP BUSINESS PRIORITY FOR GLOBAL FLEET OPERATORS²

ALMOST
50%

OF FLEET OWNERS HAVE PURCHASED AN ELECTRIC VEHICLE, OR PLANNED TO PURCHASE ONE IN 2022³

ALMOST
50%

OF LOCAL AUTHORITIES HAVE YET TO SET A DATE FOR COMPLETING THE TRANSITION TO EV.⁴

1 <https://bit.ly/41ZhWyg>, 2 <https://bit.ly/44mO3tw>, 3 <https://mck.co/3LwvCtQ>, 4 <https://bit.ly/3VtIOFF>



Fleet operators need to act now. Before the challenge magnifies

Fleet operators can't afford to let their competitors take the lead. Nor can they afford to play catch up. With many fleets planning to scale their transition towards the second half of the decade, waiting too long will see them caught in a shortage of vehicles and charging infrastructure.

This issue is partly due to the future availability of lithium for EV batteries. As the demand for larger, longer-range batteries increases, automotive OEMs need to secure long-term supply contracts to meet the projected needs. As it stands, 60% of the expected demand for cars and vans in 2030 would only be met if likely lithium projects are in operation by the end of the decade⁵. This, in combination with other supply chain pinch points (such as with raw materials and vehicle components) will increase the length of the queue for vehicles as we get closer to 2030.

As "mega fleets" start to book capacity, it will reinforce the need for smaller fleet operators to take action. This means starting conversations with OEMs and infrastructure installation partners now. Fleets with a plan on paper, but no clear route to action will find themselves at the back of the waiting list.



Start planning how you will get hold of vehicles, and start conversations with suppliers and partners now.



Take steps to ensure you can procure the vehicles you forecast you'll need in the future.



Build mitigation plans to manage any risk of restricted access to vehicles or infrastructure.



Factor in how challenges with access to vehicles could impact your sustainability targets.

A PREDICTED 448,000 BATTERY ELECTRIC VEHICLES (BEVS) WILL BE REGISTERED IN THE UK IN 2023,

↑68% FROM 2022⁶

ABOUT

2 BILLION

EVS NEED TO BE ON THE ROAD BY 2050 FOR THE WORLD TO HIT NET ZERO⁷

⁵ <https://bit.ly/44qpOKY>, ⁶ <https://bit.ly/3AP8XUL>,
⁷ <https://bit.ly/40YrHvE>

Tackling complexity to make the move beyond trials

By its nature, an EV trial is far more manageable than a complete transition and is a recommended first step for the EV journey. Identifying the low hanging fruit, with the vehicles that take the shortest, most predictable routes is the conventional way to start.

However, these trials often avoid the need to tackle extra difficulty that comes with scaling past the tipping point – where larger changes to operations, driver contracts, and investments are needed. With the added uncertainty around having to reshape depots, or upgrading the grid to handle the needs of a larger charging infrastructure means it can be all too easy to fall back to the comfort and familiarity of ICE.

For fleet operators who have run their trial and are now wondering how to get to 100% electric, turning to outside support could be the answer. A partner capable of understanding all the components of a full transition to EV, and the barriers being faced, can help roll out plans to a larger scale.



Get a full understanding of the status of your trial, and pinpoint all the barriers preventing full electrification.



Identify the risks and challenges to your wider business operations as you move past the tipping point.



Establish how much of your fleet can be electrified in the next 6 to 12 months and whether you need more ambitious targets to meet the 2030 deadline.

90%

OF EUROPEAN FLEET OPERATORS EXPECTED TO INCREASE THE SIZE OF THEIR EV FLEET BY 2022⁸

29%

OF BUSINESSES STATE THAT HALF OR LESS OF THEIR COMPANY CAR FLEETS WILL BE ELECTRIC VEHICLES BY 2027⁹

50%

OF FLEET OPERATORS SAY THAT INCORPORATING AND OPTIMISING CHARGING INTO THEIR REGULAR BUSINESS PROCESSES IS ONE OF THEIR BIGGEST TRANSITIONING OBSTACLES¹⁰

⁸ <https://bit.ly/3A06Znz>, ⁹ <https://bit.ly/3AV2d7D>,
¹⁰ <https://mck.co/3NzdQZQ>

Getting the right stakeholders together

Given the level of complexity and business change, a full EV transition is a multi-stakeholder process. It can extend across many functions, including fleet, sustainability, finance, procurement, facilities and leadership.

There is the possibility that many of these stakeholders haven't been brought together for a single project before. This means the creation of a steering group or committee to consider every area of the transition and that the right resources are allocated in terms of energy, fleet and facilities.

Strong alignment between these stakeholders is vital. This is where the introduction of a specialist partner can help to build an integrated map that delivers on your vision and fill any skills gaps you might have internally.

45%

OF SMALLER FLEET MANAGERS SAY THEY LACK THE TIME AND EXPERTISE NEEDED TO TAKE THE NECESSARY FIRST STEPS¹¹

57%

OF FLEET DECISION-MAKERS WANT SUPPORT ON EMISSIONS-BASED INITIATIVES¹²

¹¹ <https://bit.ly/40Tw4YQ>, ¹² <https://bit.ly/40ZKPcz>

ESTABLISHING YOUR FIRST STEPS

Which stakeholders need to be involved/engaged for the transition?

Alignment will be needed between fleet managers, sustainability, finance and procurement functions as well as functions working across Energy, Fleet and Facility assets.

Have you benchmarked your current situation?

Do you understand the status of your present-day emissions, fuel efficiency, and fleet movement to identify the vehicles best suited to start transitioning?

Is all your data in one place?

Do you know the status and performance of your fleet, and are able to take a data-driven approach to decision making?

Who holds the energy budget? Do you need to source funding?

What are the taxable benefits and latest grants available to your business? Will you purchase or lease?

Will your committee be in-house, and do you need the expertise of a partner?

Do you need a third party to support the transition, manage stakeholders, and guide your decisions?

Have you assessed your charging needs?

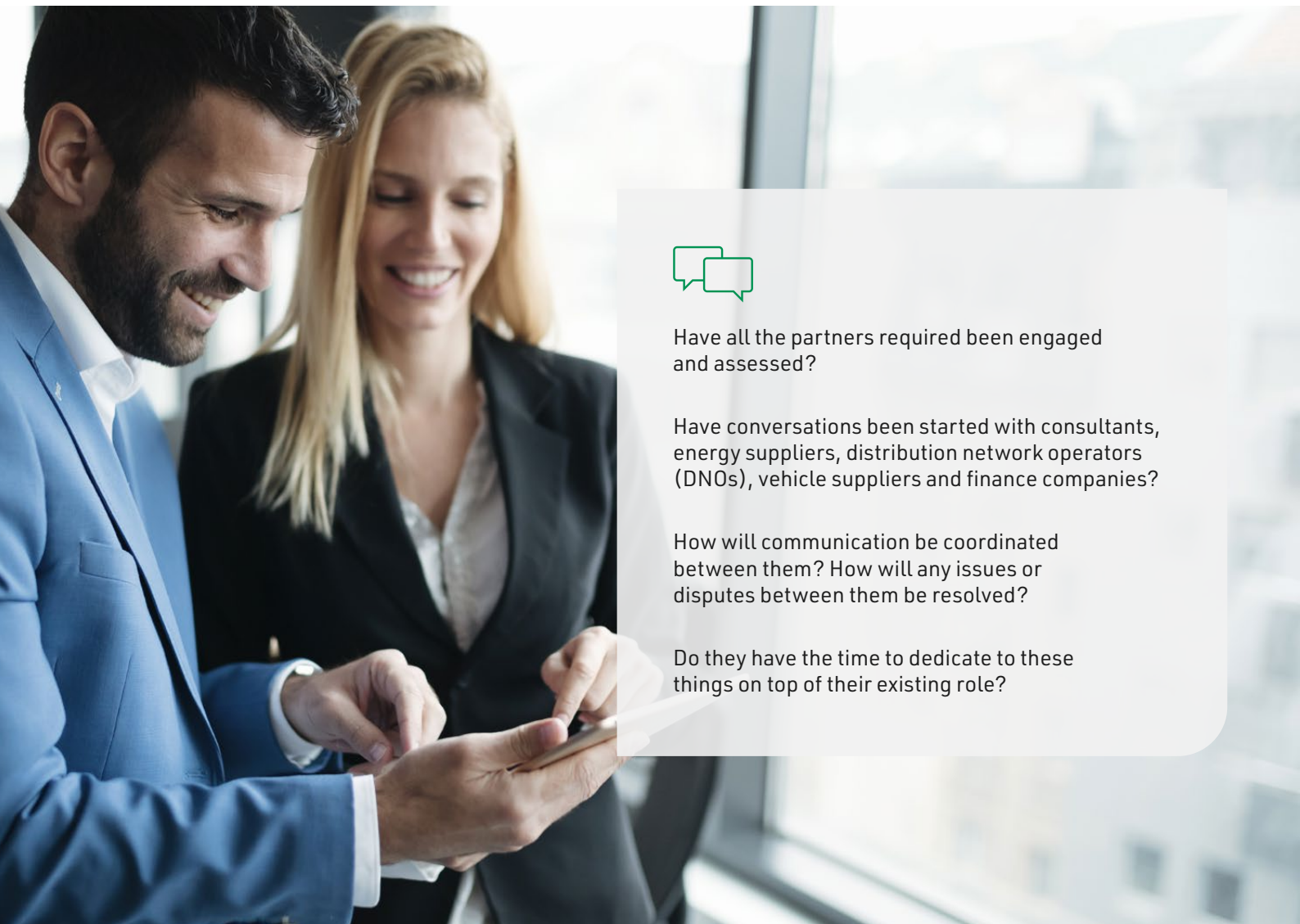
Are you able to install charging infrastructure at your depots? What level chargers do you need? Do you need to change your authorised supply capacity?

Making the complex simple

Enterprise-sized fleets have a clear advantage when it comes to the electrification of their fleet. They are often in a better position to invest in new vehicles and have fully-formed teams dedicated to transitioning. For fleets that are unable to invest or build the resources in-house, the responsibility of managing all the new components, suppliers, and stakeholders often falls on a single person or small team.

While the market has plenty of solutions that can cover each part of the transition, this can result in an approach that can be siloed, expensive and inefficient. Having to manage all of these relationships and trade-offs between suppliers as you scale can add to the difficulty.

Turning to a vendor with a complete solution is therefore an attractive route to simplify and scale the EV transition. Leaving fleet operators free to focus on other critical areas of their business.



Have all the partners required been engaged and assessed?

Have conversations been started with consultants, energy suppliers, distribution network operators (DNOs), vehicle suppliers and finance companies?

How will communication be coordinated between them? How will any issues or disputes between them be resolved?

Do they have the time to dedicate to these things on top of their existing role?

VEV's integrated solution can accelerate your EV journey

VEV is a leading provider of integrated solutions for fleet electrification and carbon reduction. We offer a one-stop-shop for charging, energy generation, and management services, backed by a team of energy and fleet management experts.

As a long-term partner, we help fleet operators navigate this new complexity, guiding them through planning, implementation and operation to make the most of the opportunities presented by electrification.

By making use of our expertise, businesses can streamline the transition process, reduce their environmental impact and operate sustainably and profitably.

YOUR PARTNER FOR THE WHOLE ENERGY TRANSITION

Powering the Future

An integrated solution, for now and the future

- Fleet rightsizing services
- Grid upgrade support
- Alternative energy solutions
- Optimisation tools
- Integrations and APIs

Powering Resilience

Ensuring the resilience and security of charge

- 24/7 support, on-site SLAs and resilience packages
- Market leading charging hardware
- Highly secure across hardware and software platforms
- Business continuity planning

Powering Value

Driving performance and unlocking greater value

- Rightsizing assessment tools
- Data-driven fleet telematics and insights
- Vehicle provision and leading
- Flexible financing



For the climate. For a successful business

Fleets are at the heart of the energy transition and as such, face pressure to electrify. The process may be complex, but the need to change is inevitable – and it will only get more challenging the longer the transition is delayed.

The transition to EV should not only be seen as a need to address climate change. It should be embraced as an opportunity to unlock significant benefits that enhance, rather than inhibit, business performance. For example, to right size fleets, reduce costs and increase efficiency.

As fleets move through this transition, operators need to think about how they can better partner to deliver it. Here at VEV, we can help you to reduce complexity and achieve success, both as you move through transition and build your electric fleet, right through to running (and growing) it.

Contact VEV

If you're wondering how to fund your EV transition, or who to turn to for chargers, vehicles and energy, VEV brings a complete, end-to-end solution to realise your vision. Without having to manage multiple vendors. Together, we can help you navigate the complexity and unravel your challenges – to map your electrification journey and design a resilient solution that will keep your fleet running at scale.

Get in touch to learn how VEV can be your partner to optimise your fleet, charging, and operations to make the most of the transition to EV.

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