



The small-medium business guide to servicing, maintaining and repairing company vehicles

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1. Why have we created this guide?

We understand that running company cars and vans can be problematic for small-medium businesses. If you were working in a larger company, there would almost certainly be a dedicated fleet manager, but, the chances are, you are juggling this responsibility along with many other jobs.

By far the most time-consuming aspect of looking after vehicles is keeping them on the road. In large fleet jargon, this is called **SMR – service, maintenance and repair**.

Finding the right garage, booking a service, trying to work out whether you are being charged a fair price, checking MOTs and more – it soon mounts up into quite an endeavour.

This guide is designed to help you navigate through those tasks in a step-by-step manner, providing a structured approach to SMR for small-medium businesses that will help you become more effective and efficient.

Who manages the fleet in a small-medium business?

People working in small-medium businesses with responsibility for cars and vans nearly always face a lot of demands and pressures.

Some recent research we undertook revealed that **more than 98%** of those in charge of up to 50 vehicles said they were also responsible for a range of other tasks alongside managing the fleet including **general management, finance, sales and marketing, HR and more**.

Our research has also found that small-medium fleet managers spend an average of **32 hours a month** looking after company cars and vans. This is clearly a huge demand on their time.

2. Why service, maintenance and repair (SMR) is important

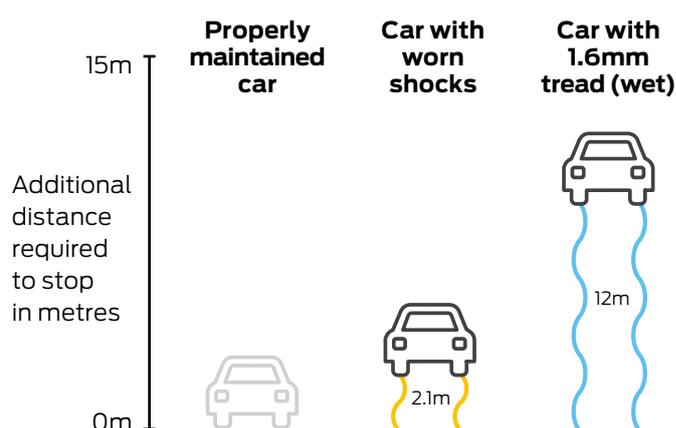
Regardless of the number of company vehicles you manage, operating a safe and roadworthy fleet makes good business sense. You should care about SMR for your vehicles for five crucial reasons:

1. You have a **legal responsibility** under your **duty of care** to keep your business vehicles in roadworthy condition. This applies to the very smallest businesses as well as the very largest. If there is a serious accident and vehicle condition is found to be a factor, the owners and directors can be prosecuted and even imprisoned.
2. As well as the legal viewpoint, there is an **ethical** angle. Imagine how you would feel if one of your employees was hurt in a poorly maintained company car or van?
3. You need to keep **accurate records**. Vehicle documentation such as MOT test certificates, insurance certificates and Operator Licences should be available in one place in preparation for audit and inspection by the relevant authorities.
4. Well maintained vehicles are generally **cheaper** in the long term. This is because they will tend to be performing at optimum efficiency but also minor problems can be rectified before they become major ones if they are identified early on. Unplanned maintenance increases vehicle downtime and costs.
5. A vehicle with a full set of service stamps in its history will usually be **worth substantially more** when the time arrives for it to be sold.

Just how dangerous is a poorly maintained car?

Many different kinds of poorly maintained components can have an effect on the safety of your cars or vans.

For example, the braking distance in wet weather of a tyre at the legal limit of 1.6mm of tread depth is almost 12 metres longer than a new tyre from 50mph. Similarly, a car with 50% worn shock absorbers needs an additional 2.1 metres to stop when braking from a speed of 50mph in dry conditions.



Tyre fact: British Tyre Manufacturers' Association

Shocks fact: Monroe and ATS

3. Your starting point – creating an SMR policy

As with any task, improving your management of SMR will be easier if you decide exactly what you are trying to achieve. What you need is to write a short but simple policy.

To implement this, you'll need to gather some **key information** and **make some policy decisions**. Reading through this guide will help you to answer these requirements and below are some of the questions you may want to consider:

1. Your vehicles should be **maintained in line with manufacturer guidelines** – do you know how often servicing is recommended?
2. What **kind of suppliers** do you want or need to use – franchise dealers, independent garages or fast-fits? Read section four of this guide for help.
3. Do you ask **drivers to regularly inspect their vehicles**? If so, how often? Have you provided them with guidelines on making an inspection and created a robust feedback mechanism? Read section five of this guide on how to establish a good inspection and maintenance regime.
4. How will you know whether you are receiving **good value for money** from suppliers? Read section six of this guide.
5. Can you gain greater control over **payments and billing**? Take a look at section six of this guide.
6. Replacing **key wear items** such as tyres and brake pads often involves making a choice. Can you set a policy in this area? For example, you could decide that tyres will be replaced when there is 3mm of wear left.
7. What **management tools** might be useful in managing the fleet such as spreadsheets, white boards and specialist fleet software systems? See section seven of this guide.
8. Do you have **auditable systems** in place to prove that all of the above is happening? If you are investigated by the Health and Safety Executive in the event of a serious accident, an auditable trail to prove that a vehicle has been kept in good condition will form an essential part of your defence.

4. Choosing suppliers

There are no right or wrong answers when it comes to choosing suppliers – it is simply a question of which best meets your needs. However, there are several factors that you need to contemplate:

Geography

Is the location convenient for your drivers? Will it cause minimum disruption to the operation of the vehicle and therefore your business?

Pricing

Does the supplier offer good value?

Availability

Is the supplier able to book in the vehicle within the timescale you need?

Convenience

Is a courtesy car available? Or a collection and delivery service?

Capabilities

Can they carry out the work required to a good standard? For example, a complex or unusual vehicle may require diagnostic equipment only available at a franchise or specialist dealer.

Trust

Do you have a good relationship with the supplier? Will they help you out if you need a vehicle repairing quickly? Do you feel that they charge you fairly and transparently?

Potential suppliers tend to fall into three main categories:

1. Franchise dealer

Pros: The vehicle manufacturer's nominated expert with well-trained staff, the latest equipment and high quality systems, as well as good geographical coverage in most cases. Having manufacturer service stamps will help you to maintain the value of the vehicle.

Cons: Usually the priciest option.

2. Independent garage/chains

Pros: Standards vary widely but the best can compete with franchise dealers for overall expertise. Some are members of accreditation schemes that underline their quality. Often it is easier to build a strong relationship with a local independent garage than a franchise.

Cons: Some independents simply lack the required expertise and equipment. Most are usually one-off premises rather than a chain, so if your fleet is geographically widespread, you'll need to work with several different suppliers.

3. Fast-fit

Pros: Excellent national coverage, several well known chains, strong choice in certain areas such as tyres and exhausts, drive-in service, frequent special offers.

Cons: Can be expensive. Limited services provided – often just tyres, exhausts and brakes.

5. Managing drivers and booking work

When it comes to company car and van SMR, there are two main areas where you need to consider how much responsibility you want drivers to take:

1. Should they have a role in booking work and then paying for it? How should the driver pay, with a company credit card or through **pay and reclaim**, where the driver pays personally and reclaims through company expenses?
2. In which ways should they be helping you meet your **legal responsibilities**?

In some small-medium business fleets, especially those that operate on a national basis with a central head office, the entire responsibility for maintaining vehicles is **passed over to the driver** – they monitor when a vehicle needs servicing or repair, choose the supplier then make the payment and reclaim the cost.

Passing responsibility to the driver is normally not a good way of managing SMR, simply because it means that you are **abdicating control** in virtually every area. There is no way of ensuring that the work being carried out is actually needed, that suitable suppliers are being used, that you are meeting your legal responsibilities such as timely MOTs and servicing, that the duty of care is being met, that consolidated invoices can be supplied, and that the business is not being defrauded.

Instead, we believe that the person responsible for managing company vehicles **should keep records** that indicate when service and maintenance is due, and should stay on top of the administration for vehicles on the company's behalf, keeping control of all the key aspects.

However, it is very important that **drivers are made responsible** for monitoring the basic condition of their vehicle on a day-to-day basis. This is something that is part of health and safety guidance. See the checklist alongside for more details.

Basic driver safety checklist

Drivers should complete this walk around check before every journey:

- Tyres are in good, legal condition and inflated correctly
- Oil, coolant and windscreen wash levels are correct
- Brakes are working effectively
- Lights and indicators are visible and working
- Windscreen and windows are undamaged – and washers and wipers are working
- Check the vehicle is clean enough to allow functioning of lights and that the registration plate is visible, especially in the winter
- There are no signs of other vehicle damage

6. The financial aspect

A) Researching the price

It can be difficult to know whether you are getting value for money when it comes to the cost of servicing and maintenance. This is not surprising – the table below shows how much prices can vary for common jobs at different outlets.

Our research shows that fleet budgeting for small-medium businesses is based largely on experience and expectations of bills within what the manager responsible deems an acceptable range, although this is usually based on nothing more than personal opinion.

The fact is, for many small-medium businesses, researching this kind of pricing is not easy. You can try looking online for typical prices but comparing information in a like-for-like manner is tricky.

In many ways, the best that you can do is follow the tried-and-tested formula of asking for **three quotes** from different suppliers, even though this can be time-consuming.

Make and Model	Item Description	Highest Price	Lowest Price	Average Price	Percentage Difference <small>(between highest and lowest)</small>
 Volkswagen Golf	Brake Pads (Front set)	£84.12	£33.60	£67.69	60%
	Brake Pads (Rear set)	£72.79	£37.35	£41.81	49%
	Fuel Filter Element	£36.67	£12.36	£27.04	66%
	Continental Conti Eco Contact 5	£78.88	£69.74	£74.31	12%
 Ford Transit	Brake Pads (Front set)	£67.98	£25.85	£50.02	62%
	Brake Pads (Rear set)	£75.10	£19.78	£43.10	74%
	Fuel Filter Element	£41.93	£10.30	£27.90	75%
	Dunlop Sport BluResponse	£64.70	£56.99	£60.85	12%

B) Approving work

One of the most difficult financial aspects of SMR is that **unforeseen jobs will often occur** during planned maintenance that require approval. For example, during a routine service, it could be identified that new tyres are needed.

Our research shows that **65% of managers** with company vehicle responsibility in small-medium businesses **manually approve** all service, maintenance and repair work by phone or e-mail, but that they find it, understandably, very time-consuming.

Other methods of approval are occasionally used. Some have a **key system of control** that requires approval if any bill is more than £500 for example, but a few simply pay whatever bills appear.

The fact is that like trying to ascertain whether an SMR price is good when booking a job in the first place, assessing the fairness of additional work is simply very difficult and most businesses have little choice but to agree. We know, through our analysis of transactions, that around 11% of jobs completed by garages are not needed – and that these jobs cost an average of £48.



Are you getting a discount?

82% of small-medium businesses are not getting any kind of discount from suppliers on their SMR costs – and **only 5% are getting a discount of 20% or more.**

C) Payment

Our research shows that **paper invoicing systems** remain the norm when it comes to paying for car and van maintenance. However, this is a process that is prone to error, time consuming and even open to employee fraud.

A much better choice is to use electronic, centralised invoices from suppliers, which will allow you to **process payments quickly and easily**, as well as seeing what work has been completed at a glance.

A few companies still use driver **pay-and-reclaim** which is not recommended. It leaves the driver out of pocket for a while and the employer open to fraud, with little centralised control.

A key point is that you need to ensure that all invoices you receive are genuine **VAT invoices** and are **fully HMRC compliant**.



How do you pay for SMR?

- Trade credit with garage 45%
- Corporate credit card 24%
- Contract hire company pays 23%
- Other 18%
- Drivers pays and reclaims 10%

7. Management tools

Relatively few small-medium businesses use specialist management tools to look after their fleets. Our research shows that, instead, most employ a combination of:

- Whiteboards
- Excel spreadsheets
- Filing systems
- Outlook calendar reminders

And, typically, the information they record includes:

- MOT due dates
- Servicing due dates
- Expenditure
- Vehicle allocation

The success of looking after your fleet in this way very much depends on the **quality of processes** that you put in place, but even the best will provide only **limited means of control** and little genuinely useful management information.

Notably, using all of these methods is **labour intensive**, requiring many man hours and extensive manual keying. They are also **prone to user error**. For example, an MOT will be easily missed if a date is incorrectly entered.

However, there are a wide range of software management tools available on the market for small-medium businesses that provide a good management structure for looking after SMR and all other aspects of company vehicle management.

The quality and sophistication of **software management tools** vary quite widely, as does their cost and effectiveness, and the initial setting up process can be quite time-consuming. Once in place, though, they will deliver a level of management control and information that is **simply not possible using a spreadsheet or paper systems**.

8. Conclusion

SMR is not an easy subject for small-medium businesses – but it is one that can be tackled much more successfully with a sensible and structured management approach.

If you follow the steps outlined in this guide, you should be able to create a framework and adopt subsequent strategies that will reduce the amount of

time you spend dealing with service and maintenance while, at the same time, delivering much better results.

As a result, your vehicles – and your employees – should operate in a manner that is increasingly cost-effective, safer and more compliant.

9. About ServicePoint

ServicePoint is an innovative vehicle administration portal from Allstar designed to provide a complete solution to the problems that small-medium businesses encounter when managing SMR. It is easy to adopt and offers:

1. The right garages at the right price

Exclusive deals that we have negotiated mean an average **saving of 30%** at thousands of **franchised and independent garages nationwide** – probably including those you are already using.



2. The expertise you need

Using ServicePoint gives you access to our expert team of technicians who will be able to advise you on whether work recommended by a garage really needs to be carried out – and whether the price they are quoting is reasonable.



Our Price Check technology

A key part of ServicePoint is our Price Check technology, evolved from more than 70 million transactions through our platform. This uses our unrivalled in-house experience to automatically apply a range of rules to your invoice and spot inconsistencies. Have you been charged for eight litres of oil on a car that only holds five litres? Price Check will highlight this issue.



“ Using ServicePoint has made everything much easier. When a service is due, I’ll speak to the driver of the vehicle, they’ll tell me what area they’re in and, through ServicePoint, I’ll find the most suitable garage to book them into. The big plus points for us are the single invoice we receive that covers all the expenditure across our fleet, plus the technical expertise that is available. It saves our business money and time. ”

Mark Nicol
Buyer
Uniplant

22 company vehicles

3. All your paperwork reduced to a single invoice

Payment is made without the need for drivers to do anything. **Single, consolidated, HMRC compliant monthly invoices** are provided for all your purchases plus useful reports that let you analyse vehicle operations.



4. Absolute control

Using ServicePoint, you have total control over what you spend and where you spend it. The platform provides the ability to manage all work, approving or declining any recommendations made by garages, with all costs based upon pre-agreed rates.



5. Fast and easy online booking

Direct online booking through our simple to use web portal will also let you compare prices and set up **essential alerts** for **MOTs, servicing, road tax and insurance**. If you don't have time to book, you can make a call to us and **we will make the booking for you**.



“ There are a wide range of benefits from using ServicePoint. I can log on at any point and see my account and, also when my vehicles are due for a service, reduced costs and savings are a help. This has allowed me to more easily manage the service and maintenance of our company vehicles while continuing with my day job. Ease of use is also a strong factor – I logged on today to book a repair and it was done in moments. ”

Alex Page
Ground Operations Director
BDA Night Express Ltd

43 company vehicles

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