MAINTENANCE GUIDE

Driving efficiency

A complete guide to fleet maintenance

element
Intelligence in motion

Contents

Executive overview

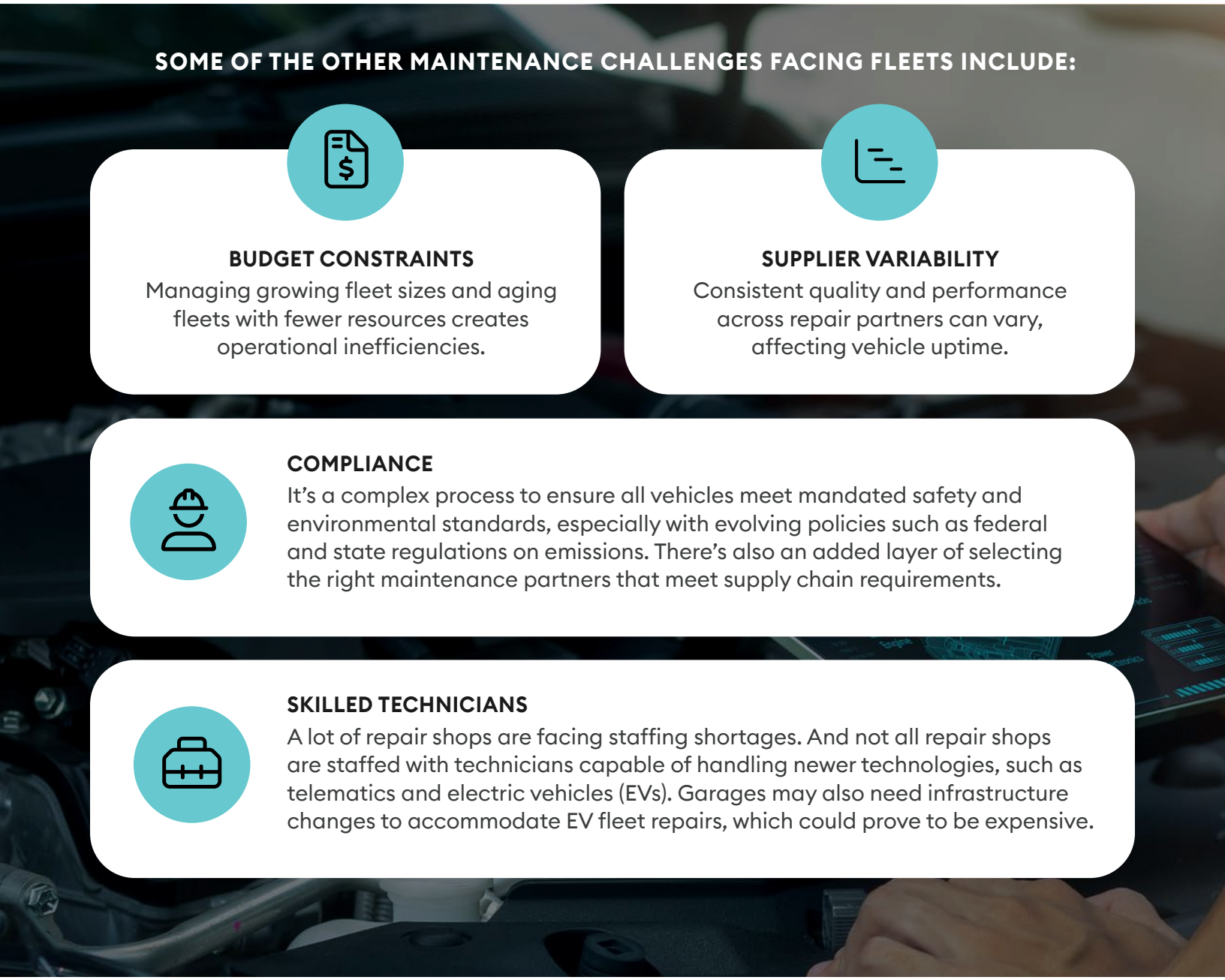
Managing fleets presents a unique set of challenges. Whether your fleet is growing or consolidating, limited resources and the shortage of skilled technicians can make it tough to keep vehicles running efficiently.

This guide offers an overview of an effective fleet maintenance program and how it can solve one of your biggest fleet issues.

Challenges facing fleets today

As a leader with fleet responsibilities, you're often managing contracts across multiple repair shops. This complicates common administrative tasks like payments and tracking.

If you're dealing primarily with a small network of shops, any staffing shortages on their end will seriously impact your downtime and overall costs.



SOME OF THE OTHER MAINTENANCE CHALLENGES FACING FLEETS INCLUDE:

BUDGET CONSTRAINTS

Managing growing fleet sizes and aging fleets with fewer resources creates operational inefficiencies.

SUPPLIER VARIABILITY

Consistent quality and performance across repair partners can vary, affecting vehicle uptime.

COMPLIANCE

It's a complex process to ensure all vehicles meet mandated safety and environmental standards, especially with evolving policies such as federal and state regulations on emissions. There's also an added layer of selecting the right maintenance partners that meet supply chain requirements.

SKILLED TECHNICIANS

A lot of repair shops are facing staffing shortages. And not all repair shops are staffed with technicians capable of handling newer technologies, such as telematics and electric vehicles (EVs). Garages may also need infrastructure changes to accommodate EV fleet repairs, which could prove to be expensive.

A structured maintenance program

To combat common uptime challenges, you need a structured maintenance program that addresses potential issues before they arise.

Cutting-edge technology and advanced reporting capabilities can provide proactive strategies to manage costs, optimize budgets, and improve operational efficiency. A maintenance program also enables fleets to remain compliant with federal, state, and local regulations.

Value of partnering on a fleet maintenance program

A fleet maintenance program can transform your entire operation from reactive to proactive.

Your network of shops can significantly increase, which means even if there's a staffing shortage at one shop, you have many more options to ensure a quick turnaround and keep downtime to a minimum.

The latest software will help track repairs and notify you when preventive maintenance is due. This enables you to better track your fleet maintenance schedule and control costs.

Ultimately, choosing to partner with a fleet maintenance provider means:

- Quality control
- Cost control
- Greater transparency
- Improved operational efficiency
- Increased access to innovation and technology

Data that drives informed decision-making

There are several key components to a structured fleet maintenance program. From telematics to supplier performance evaluation to driver training, it takes a comprehensive approach to make your fleet maintenance more cost-effective and hassle-free than ever before.

A structured fleet maintenance program will tap into real-world data to give you:

- A preventive maintenance schedule to reduce unexpected failures.
- Real-time updates of maintenance data.
- Access to maintenance exceptions such as overdue maintenance, oil changes, or inspections.
- Use of data analytics for cost optimization, and decision-making.
- Real-time visibility into repair status and costs.

Impact of driver training

Driver training is also important to reinforce better driving habits and practices.

It significantly reduces avoidable maintenance costs by:

- Minimizing vehicle wear-and-tear through improved driving habits.
- Ensuring compliance with maintenance schedules.
- Enhancing driver accountability for vehicle condition.

Key performance indicators (KPIs) to evaluate your program

Is your fleet operating at optimal efficiency?

You can measure this by tracking a few KPIs that include:

- Vehicle downtime percentage to measure fleet efficiency.
- Cost per mile to track cost-effectiveness of your maintenance program.
- Preventive maintenance compliance rate to ensure vehicles are maintained proactively.
- Supplier service-level agreement (SLA) adherence to track repair partners' performance.
- Warranty recovery rates, which indicate the financial efficiency of the maintenance.

COMMON RED FLAGS

- Increasing vehicle downtime
- Missed preventive maintenance schedules
- Rising repair costs and lack of warranty recovery

How you can elevate your maintenance program

Stay on top of repairs with Element's structured fleet maintenance program.

Our proactive maintenance strategies have helped clients reduce repair cycle times by 10%, directly improving fleet utilization. Our clients also save ~13% per repair through negotiated savings.

With Element, you can take advantage of:

- An expansive network of repair partners tailored to your needs, with consolidated management through a single digital platform.
- Proprietary platforms for real-time reporting and warranty recovery. This allows for performance tracking of in-network repair partners, in addition to cost savings.
- Expertise in regulatory compliance, ensuring alignment with policies.
- Dedicated account management resources along with 24/7 ASE-certified staff to support growing fleets.
- Custom options like Client Garage Management that consolidates and organizes vehicle maintenance data to provide meaningful insights, drive compliance, and control costs.

All of this adds up to an average client savings of ~$300 per vehicle per year.

Maintenance program in action

CHALLENGE

A client had a case limit approval of $500, and 64 of their maintenance expenses occurred in the $500 to $1,000 range, taking up valuable timein approvals.

In addition, 39% of their tire expense and 64% of their preventive maintenance (PM) were completed at dealers and independent shops.

SOLUTION

Element's Strategic Advisory Services performed a maintenance deep dive analysis of spending (tires, PMs, roadside/towing, brakes, transmissions).

We quantified potential savings by steering additional volume to key national accounts. We also recommended increasing the case limit to $1,000 to reduce approval and subsequent driver downtime.

IMPACT

5,388 decrease in downtime hours

$540K in downtime savings

$185K in annual savings by shifting volume from dealers and independents to select national providers

Disclaimer: Data and results presented in this report may vary based on fleet size, geography, and repair network.

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About Element Fleet Management

Element Fleet Management (TSX: EFN) is the largest publicly traded pure play automotive fleet manager in the world and a global leader in intelligent fleet and mobility solutions. Guided by our Purpose to *Move the world through intelligent mobility*, we help clients manage the vehicles, data, technology, and decisions that keep their businesses moving. Fleet is our foundation, and intelligent mobility is how we lead. By combining deep fleet expertise with connected technologies, data driven intelligence, and strategic partnerships, Element helps clients lower total cost of ownership, improve uptime and driver experience, and build more resilient operations. Element manages over 1.5 million vehicles globally and leverages this scale and data to help clients optimize performance, identifying over $1.6 billion in cost savings opportunities across our clients' fleets in the past year. Through Element Mobility, we are advancing our leadership into the next era of intelligent mobility to deliver measurable business outcomes for our clients.

To learn more, visit elementfleet.com