

Decide what works best for YOUR business

It's one thing knowing what opportunities exist to reduce costs and carbon emissions – it's another to know which options you should choose.

Making a plan means bringing together all the work done in Steps 1-3: keeping your original goal in mind, use the data you are measuring, weigh up the costs and benefits of each efficiency opportunity.

Often a good starting point is to simply list your efficiency options and rank the measures that make best sense for your business. It can help to group the options into three main categories:

Key questions to ask:

- What are the main constraints within my business?
- Which opportunities can be implemented right now?
- Do we need more information or a proper business case?
- What do the costs and benefits look like today? In 5 years' time?
- Will the opportunities affect the value of my trucks and my business? (good/bad)



Quick wins

'No regrets' options to reduce efficiency without large upfront costs. Often 'quick wins' come from *how* you do business, meaning operational changes that could feel disruptive or difficult.



Closer look

The options seem like a good fit for your business, but you need to know more. Talking to your suppliers, doing your own research, and learning from case studies can all provide the extra info needed.



Big changes

Major investments or new ways of working. These transformational changes often need longer to assess and should usually have a detailed business case comparing pros and cons.

Example ranking

1. Removing aero clutter
2. Monitoring tyre pressure daily
3. Driver 'eco-training'
4. Preventive maintenance
5. Aero-kits
6. Optimise routes and schedule
7. Engine idle shut-off devices
8. Low rolling-resistance tyres
9. Off-peak or after-hours delivery
10. Hybrid/electric truck
11. Low-emission fuel (e.g. biodiesel, HVO)



Which opportunities to prioritise depends on many factors. Start with your business constraints like the budget available to invest in your trucks, activities you've already done to improve your fleet, and how long it will be before you replace your trucks.

How much you use your trucks can also affect the business case. For example, fuel efficiency generates savings as you drive. If the improvement has a fixed upfront cost, the more you drive the quicker the cost is repaid, and the sooner the savings accrue.

When looking at your option more closely, it's important to capture all the costs and benefits. Remember operating cost improvements can easily

TIP

Test your business case with a high diesel price and a low one.

be overshadowed by capital costs. Your business case should look beyond initial outlays and savings to consider the likely effect **across your entire business**.

For major vehicle or equipment investments, this means calculating the **Total Cost of Ownership**. The same principles can be applied to big operational changes too. When sourcing more information or building a business case, don't forget to consider positive and negative impacts on:

Reliability

- repairs
- downtime
- delivery delays
- maintenance contracts

Asset life

- depreciation & resale
- vehicle turnover
- insurance
- warranties

Safety

- vehicle performance
- WHS reporting
- liability
- insurance

Training

- internal time for upskilling
- external training costs
- future productivity improvements

Staffing

- working environment
- staff attraction and retention
- staff health
- sick leave

Financials

- cashflow
- budgets & accounting
- tax & deductions

Many efficiency initiatives **only deliver savings over time**, so you shouldn't set your payback period too short when assessing your options. After all, some efficiency upgrades might take 4 to 5 years to pay off, however they could set your business up for further success over time.

Of course, one of the costs involved from investigating efficiency is the investigation itself. If your business is particularly stretched for time and resourcing, it may be worthwhile to hire an energy specialist or talk to an expert fleet management service. You can then use their advice to update your shortlist of priorities and take them forward into **Step 5: Take Action**.

Get Fleet Fit

The good news? There's lots you can do **NOW** to save on fuel, cut down on emissions and boost your bottom line at the same time.

NatRoad has developed a 5-step Roadmap to help members along the journey:

