



## FleetPartners welcomes proposed new emission standards

FleetPartners NZ Managing Director Dennis Kelly has welcomed the government's proposal to introduce stringent new vehicle exhaust emission standards designed to improve air quality and public health.

Associate Transport Minister Judith Tizard and Transport Safety Minister Harry Duynhoven, calling for public submissions on the proposed laws, said the tougher standards would apply to vehicles when they were first registered for use on New Zealand roads.

Under the proposed laws, from 1 January 2008 new vehicle imports will require a documentation check and used vehicle imports will be tested to ensure they meet the required standard. The new standards will not apply to vehicles already registered.

"We welcome moves to raise the bar on emission standards as they apply to used vehicles," Mr Kelly said.

"While the tougher standards will have an impact on the vehicle and fleet industries, the net result will be to reduce the number of old, polluting vehicles on our roads which can only benefit the environment and all New Zealanders," he said.

According to official figures, in the year to

May 2007 New Zealand imported 80,000 used vehicles against 30,000 new vehicle registrations. The government is concerned that many of the older vehicles entering New Zealand do not meet current emission standards.

A report produced in 2002 for the Ministry of Transport claimed that around 400 people died prematurely each year from vehicle exhaust emissions.

Strengthening existing minimum vehicle emission standards is one of a package of measures the government is introducing to improve the environment. Other measures include promoting cleaner diesel fuel and the introduction of visible smoke checks as part of the Warrant of Fitness test.

"The proposed new standard for diesel vehicles is a step forward and should make diesel vehicles even more attractive for fleet buyers. Environmental considerations, particularly fuel efficiency and carbon emissions, are increasing concerns for fleet buyers and diesel vehicles are part of the solution," Mr Kelly said.

For more information on submissions visit the Land Transport New Zealand website at [www.landtransport.govt.nz/consultation/vehicle-exhaust-emissions](http://www.landtransport.govt.nz/consultation/vehicle-exhaust-emissions).

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## face2face

Hamish MacRae  
Business Development  
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**The best thing about FleetPartners New Zealand is...** a group of people who are passionate about this company reaching it's potential.

**When I was a child I wanted to...** play sport forever. I used to think school was only there to give me some mates to play footy with at lunch.

**When I grow up I want to...** stay in touch with my inner child. My kids are great for this. I can still do plenty of juvenile stuff under the excuse of playing with my children.

**It's not fashionable but I love...** classic rock. Pink Floyd, the Rolling Stones, Pearl Jam, the Police, etc.

**If I were a car I'd be...** something relatively mainstream but just a little bit different. Like a Citroen C6.

**I wish I had never...** I can't really think of anything for this. The experiences I have had, both good and bad, have shaped who I am. I don't believe in regrets and I'm more interested in what my future holds than what has already passed.

**My favourite motoring gadget is...** an auxiliary input for my i-pod. Being able to have my entire music collection in a car, without a billion cd cases piled around, just rocks.

**My ideal weekend...** would start on Wednesday....!! Dining at Citron with my wife on a Friday night. Golf on Saturday morning. Bike ride with my kids in the afternoon. Saturday night with my mates at the rugby and a few beverages. Coffee and Sunday papers at my favourite café with my family and a hard-core mountain bike ride in the afternoon... a rugby world cup win would cap it off nicely.



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## Smarter, greener fleets of the future

After realising a seven-year dream to own and run FleetPartners, CEO Nick Johnson is putting the industry on notice.

New Zealand fleet companies must become smarter, leaner and greener if they are to meet the changing needs of business, says the new CEO of FleetPartners Australia and New Zealand, Nick Johnson.

In his first interview since leading a successful private equity bid to purchase FleetPartners from ANZ Bank late last year, Nick Johnson said the recent shake-up in the fleet industry was only the beginning of "a sea-change in how fleets are organised and managed".

"The fleet industry has changed shape radically in the last couple of years," Nick said. "Historically the banks approached fleet with a very narrow, commodity-focussed mindset. Now, I believe we will start to see a much more strategic approach

to fleet management that looks at how the asset impacts on the customer's whole business."

The problem, he said, is that strategic fleet management is often overshadowed by the day-to-day business of operating vehicles.

"Very few New Zealand fleet companies address the big strategic issues facing their customers – issues like the environmental impact of fleets, risk management and optimising tax structures, making the most of employees benefits to retain staff and change management."

"Yet fleet management has a much wider footprint in organisations than many people might imagine. In a mid-size company, for example, decisions about the nature and operation of a fleet can directly impact on

human resources, operations, branding and marketing, OH&S and sales," he said.

It is an oversight Nick and his new senior management team at FleetPartners plan to capitalise on as they pursue their vision to create New Zealand's pre-eminent fleet management company.

"The real value of a fleet management company like FleetPartners lies in our ability to work strategically with customers, to help them address business-critical issues like residual values, carbon emissions and change management. This is a big change for the industry and one we believe sets the agenda moving forward," he said.

### A date with destiny

Nick Johnson is no stranger to the Australian and New Zealand fleet industries. In fact many regard the sale of Esanda FleetPartners (part of the ANZ Bank) to private equity firm Nikko Principal Investments last November as his date with destiny.

He first encountered FleetPartners back in 1999 when, while working for a London-based fleet leasing company, he was sent to Australia to scout possible merger and acquisition opportunities.

FleetPartners was on the market but for various reasons the sale fell through and the company was retained by ANZ. Having moved his family to Australia, Nick spent a short time with his previous employer before accepting an offer to run FleetPartners.

In 2003 Nick stepped aside to take on other roles at ANZ but he never gave up hope of one day owning the company. When the sale sign went up last year, Nick didn't hesitate. With backing from Macquarie Bank, he put together a business case, sourced the finance and led the successful Nikko bid.

Now that he is back in the drivers' seat, Nick is wasting no time putting FleetPartners on the front foot.

"My goal is not to be the biggest. My goal is to transform how the industry is regarded and the type of solutions it offers customers. We are setting the agenda by moving away from a commodity-focussed, narrow finance model to a much more strategic, whole of business model that recognises the vital role fleets play in many businesses. If by doing things differently we become number one, that's great."

## Restructure aids focus on 'strategic' fleet management

FleetPartners' has unveiled a new organisational structure and a number of high-profile appointments as it continues to expand following last year's sale to private equity group Nikko Principal Investments.

The new structure, which is designed to give FleetPartners a stronger national focus and enhance customer service, includes two new roles: Director of Sales and Marketing and Director of Operations.

Fleet veteran Barry Nicholson joins as Director of Sales and Marketing. Barry will be focussing on delivering more strategic fleet management services to our clients, through an expanded product range and more comprehensive reporting. Other important initiatives include a new insurance accident management system and the introduction of short-term rental facilities for customers.

In Heavy Commercial Vehicles (HCV), FleetPartners is building on its market-leadership position to expand services into the small and mid-size metro truck leasing segment. This sector is enjoying very strong growth and remains an important focus of the new FleetPartners.

Following a recent review of the company's national office network, HCV operations have been centralised in Auckland.

Designed to offer customers more efficient back-office systems, the move will also see three newly created positions, dedicated HCV field operation managers operating from Christchurch, Taupo and Auckland.

The Field Operation Managers will work along side Relationship Managers in the field with customers and focus on management and maintenance of vehicles.

Other important changes include the appointment of John Mowbray as Head of Remarketing. FleetPartners Managing Director Dennis Kelly said managing residuals was an important priority.

"As many of our customers would be aware, our ability to maximise the value of vehicles coming off lease is a key determinant when setting our pricing for new lease business going forward.

"Together with our new Wholesale Remarketing Manager, Lui Ritchie, John will be working with customers to proactively manage vehicle disposals (including LCV and HCVs), whether it involves selling the vehicle back to the driver, the lessor, to wholesalers or through our own retail outlet, Autoselect," he said.



**Lease vs own**  
Which is best for your business?

For many New Zealand businesses, the decision to lease or own their vehicle fleet can have a big impact on all parts of their operations.

In theory, it all seems so easy: choose the most suitable vehicle for your requirements, find the best price and do the deal.

In reality, factors such as risk management, cash flow, OH&S, asset disposal and, increasingly, environmental impacts, are shaping decisions about leasing and fleet management in small and large companies.

Vern McLaren, Head of Pricing and Risk with FleetPartners New Zealand, says utilisation of resources within companies is a primary reason for choosing to lease rather than own company vehicles.

"Many companies under-estimate the complexities of running a fleet and the time involved. Often it is the Financial Officer or HR personnel who have to deal with a raft of policy and operational issues, tying up their time negotiating purchase prices on vehicles, authorising repairs and maintenance and managing disposal. Not only can their time be more productively utilised but there are experts who can reduce these costs," he said.

Managing fixed costs and protecting cash flow are other key benefits of leasing versus owning.

"Cash flow is an important consideration for all businesses. Meeting the up-front purchase cost of fleet vehicles can tie up significant amounts of business capital that could otherwise be invested in stock or services that increase turnover and generate profit. Then there is the risk of incurring losses on disposal of assets; the larger the fleet the greater the potential impact."

### Fully maintained versus non-maintained operating lease

For most New Zealand businesses, the choice of lease generally falls into two categories: a fully maintained or a non-maintained operating lease. Both options take company

vehicles "off the balance sheet".

Under a fully maintained lease all the operating costs, servicing, maintenance, registration and tyres are covered by a single monthly payment. Terms range from 12 months to 45 months for passenger vehicles, generally 60 months for light commercials and 84 months for heavy commercial vehicles.

With a non-maintained operating lease the lessee is responsible for all maintenance and other running costs.

Mr McLaren said both lease types allowed businesses to better manage cash flow while reducing fixed costs.

"Because a lease payment is a fixed monthly payment it allows businesses to accurately and efficiently manage expenses and cashflow," he said.

### Solutions for big and small fleets

Leasing is not just for the big guys. While most large New Zealand companies lease their fleets, Mr McLaren said small companies could also benefit from the purchasing power and strategic advice available through fleet management companies like FleetPartners.

"The same principles apply to all businesses and that is they are trying to maximise operational and financial efficiency to deliver optimal performance and profit. This is where the fleet manager really delivers value," he said.

"Our role is very strategic and much broader than just providing funding of the vehicle: our expertise in vehicle selection, purchasing power, vehicle management systems and vehicle disposal take much of the risk out of owning and managing a fleet and delivers important operational efficiencies.

"More broadly, our role encompasses wider issues such as OH&S (driver safety and workplace issues), environmental sustainability (carbon emissions and energy), HR (staff benefits, retention and recruitment) and even change management," Mr McLaren said.

## Better reports, more detail with Leasebase

FleetPartners' customers in New Zealand will soon notice some important changes to invoicing and fleet reporting capabilities with the introduction of a new lease management system.

From this month, FleetPartners New Zealand will switch to Leasebase, placing the trans-Tasman FleetPartners business on a common software platform.

Leasebase is one of many improvements to customer relationship management being introduced by FleetPartners in the wake of last year's sale.

FleetPartners' Group Head of Business Technology, Stuart Bindon, said Leasebase was an important step forward for the company and its customers.

"As many of our New Zealand customers also operate in Australia, Leasebase means they will enjoy a single, easy-to-use platform on both sides of the Tasman. And while Leasebase is primarily an internal fleet management system it also offers customers important benefits."



### About the new operating platform

Leasebase can be used on any hardware platform that supports the UNIX operating system. Leasebase technical details include:

- It was developed in a UNIX environment using the UNIFY 2000 relational database
- The 4th generation language ACCELL/SQL was used to develop the software
- It uses a relational database
- It can be installed on hardware platforms using AIX (IBM), ULTRIX (DEC), HP UX (Hewlett Packard), Solaris (Sun) or UNIX SYSTEM V as an operating system.

Mr Bindon said one of the most obvious changes would be in the way invoices looked and the amount of detail they contained. Quotes would look and read differently.

"As part of introducing Leasebase we are changing the way we invoice, giving customers more detail about their fleets, monthly charges and associated information. Quotes will also be visibly different, containing detailed descriptions of the vehicles and services being specified," he said.

Leasebase establishes the platform for FleetPartners to deliver a web-enabled fleet management system, reflecting a growing trend in enterprise-level software. Leasebase will also bring FleetPartners into line with world's best practice for the fleet industry.

"From a customer point of view, Leasebase will provide a direct line into our business. The first step in the rollout will take place in July with the migration of FleetPartners New Zealand's business to the Leasebase Fleet Management system," Mr Bindon said.

The project is expected to take around 12 months to complete, with most of the key changes in place by the end of this year.

"The changes will enable us to be more flexible in providing our customers with tailored solutions and give them the ability to simply log onto the website using their password and retrieve information about their fleet, operating costs and even future vehicles at virtually any time, day or night," Mr Bindon said.

### Leasebase at a glance

- New fleet vehicle leasing and fleet management software platform
- Single system covering FleetPartners NZ and Australia
- Web-enabled for 24/7 access
- Streamlined quotes, invoicing and reports
- More detail and greater accuracy
- Introduced from 1 July 2007

A message from  
**Dennis Kelly**

Managing Director  
FleetPartners New Zealand



Welcome to the winter edition of FleetView.

It has been an exciting few months as we have formally separated from ANZ and celebrated the launch of a new and independent FleetPartners.

With the strong support of our new parent company, Nikko Principal Investments, FleetPartners has emerged from the ANZ's shadow stronger, more focussed and better resourced.

For customers, the new FleetPartners means even better fleet solutions – from selection and purchase of vehicles, to daily fleet operations, finance and vehicle disposal.

Many important changes have taken place internally as we recruit new talent and invest in world-class front and back-office systems. We have also introduced a new organisational structure (see article opposite) designed to bring greater focus on sales, marketing and customer relationship management.

We are delighted to welcome Barry Nicholson into the role of Director of Marketing and Sales. Barry is a highly respected fleet industry veteran with more than 15 years experience in passenger vehicles, LCVs and HCVs.

Our remarketing business has also received a big boost with the appointment of John Mowbray as Head of Remarketing and Lui Ritchie as Wholesale Remarketing Manager.

More broadly, it seems everywhere you turn nowadays people are talking about carbon emissions and the environmental impacts of vehicles on our planet. As fleet managers, we have an important role to play in the push to reduce carbon emissions - whether it is educating our customers or helping them choose and manage a carbon-friendly fleet.

We are working closely with manufacturers, government and environmental experts to offer our clients strategic and timely advice and products to support their sustainability objectives. Stay tuned for more on this initiative later in the year.

Till next time, safe motoring.