



# Managing the complexity of your fleet EV transition

Helping fleet operators understand the challenges of fleet electrification and how to overcome them

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## The race to net zero

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.

- Seventy-eight percent of fleet managers plan to electrify up to 50% of their fleet
- A further 33% would like to transition up to 100% within the next five years<sup>1</sup>

Delivering these plans will be one of the most complex challenges they'll face in their career – on top of the day-to-day running of a fleet.

This complexity means fleets can get stuck in a trial phase. If they've started at all. Fleets can try to manage these challenges themselves, or they can look for a partner with the expertise to simplify the project.

Electrification needs scale and an integration partner will anticipate challenges and find solutions to deliver the desired result.

Decarbonisation targets loom large.



## GETTING THE FIRST MOVER ADVANTAGE

# Low carbon contracts: key to growth

The Greenhouse Gas (GHG) reporting requirements of listed and public sector businesses are already cascading down supply chains. Customers are increasingly demanding that fleets are low carbon to meet their public commitments to scope 1, 2 and 3 emissions.

Put simply, this means failing to meet commitments to reduce CO<sub>2</sub> is a risk to your business, as your customers will turn to those who have.



In 2021, the public sector awarded over

**£559 MILLION**

in Net Zero contracts, representing a 6.2x increase from 2015.<sup>2</sup>

Local government buyers were responsible for half the total value of all net zero contracts between 2015-2021.<sup>3</sup>



Since September 2021, suppliers bidding on Central Government contract worth

**£5 MILLION+**

annually must have a carbon reduction plan in place.<sup>4</sup>

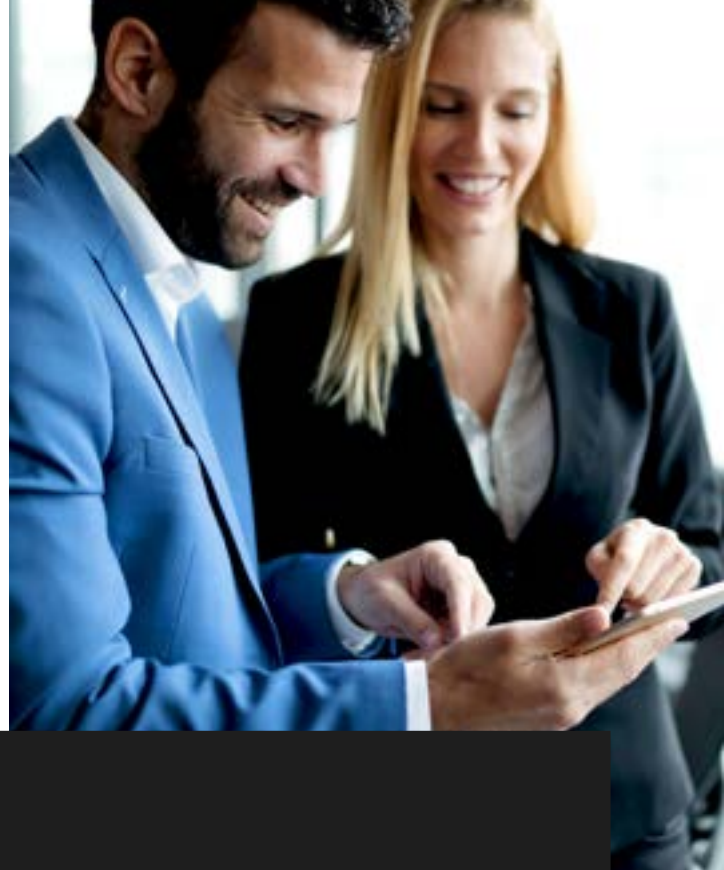
## GETTING THE FIRST MOVER ADVANTAGE

# Cost benefits

The economics of electrification stack up. Long term studies show that EVs have a lower or similar TCO compared to internal combustion engine (ICE) vehicles<sup>5</sup>, with a typical fuel life cost saving of 80% compared to a conventional fleet<sup>6</sup>.

This, combined with eliminating congestion and air quality charges, government support (such as lower vehicle tax, grants and incentives) and the increasing number of tenders favouring EVs, makes them the right choice for most fleets.

Switching to EV makes a business case with many positive benefits. Not only for the environment, but also for local communities, your brand, your bottom line and your growth.



Based on TCO, **EVs will outperform ICE counterparts**

across all commercial vehicle classes by 2025.<sup>7</sup>



Compared to ICE light commercial vehicles (LCVs), EV LCVs have a

**13% lower**

TCO per mile, factoring in charging infrastructure, maintenance, fuel and depreciation.<sup>8</sup>



By 2035, a fully electric fleet of 6,000 (primarily LCVs) could make

**savings of 22%**

compared to an ICE fleet.<sup>9</sup>

## GETTING THE FIRST MOVER ADVANTAGE

# Supply chain constraints

The move to electrification is a huge technology transition, the scale of which we haven't seen since the introduction of the internet. And in much the same way, it's the early adopters who win.

Waiting too long will see you caught in vehicle, battery and charging infrastructure supply chain constraints. The queue is only getting longer, and larger fleets are already booking capacity.



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.

But the problem isn't the realisation that electric vehicles are the future – it's how to get there. Deciding what to do, and in what order requires planning and expertise. With vehicles and batteries offering varied ranges and charging times, how an EV fleet needs to be driven and operated requires a different way of thinking.

In 2023, the average lead time for an EV commercial vehicle order is

**8-12 months.**<sup>10</sup>

EV infrastructure lead times can vary from

**6 months to 2+ years.**<sup>11</sup>

Almost

**50%**

of local authorities have yet to set a date for completing the transition to EV.

**74%**

are still operating fleets comprising more than 90% ICE vehicles.<sup>12</sup>



### PLAN

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



### TAKE STEPS

to procure the vehicles you forecast you'll need in the future.



### BUILD

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



### FACTOR IN

how challenges with vehicle access could impact sustainability targets.



## TACKLING COMPLEXITY

# 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.

This means the creation of a steering group or committee is needed 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. Consider whether specialist support will be to build an integrated map that delivers on your vision and fill any internal skills gaps.

# 45%

of smaller fleet managers say they lack the time and expertise needed to take the necessary first steps.<sup>13</sup>

# 57%

of fleet decision-makers want support on emissions-based initiatives.<sup>14</sup>

# 60%

of fleet operators plan to partner with fleet management service providers to accelerate their transition.<sup>15</sup>

## TACKLING COMPLEXITY

# 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 as well as functions across Energy, Fleet and Facility assets.



### **Have you benchmarked your current situation?**

Do you understand the status of your emissions, fuel efficiency, and fleet movements to identify the most suitable vehicles to transition?



### **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 grants available? Will you purchase or lease?



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

Can a third-party help support the transition, manage stakeholders, and guide 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?





## TACKLING COMPLEXITY

# Moving 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.

However, these trials often avoid the need to tackle the extra difficulty that comes with scaling past the tipping point. On top of this, uncertainty around reshaping depots, or upgrading the grid to handle a larger charging infrastructure means it can be all too easy to fall back to old ways.

Once trials have been completed and a new goal of becoming 100% electric has been set, understanding all the components of a full transition to EV and the barriers stopping you from scaling may benefit from outside support.



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



Identify the risks and challenges to 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 if you need more ambitious targets to meet your deadlines.

# 90%

of European fleet operators expected to increase the size of their EV fleet by 2022.<sup>16</sup>

# 29%

of businesses state that half or less of their company car fleets will be electric vehicles by 2027.<sup>17</sup>

# 50%

of fleet operators say that incorporating and optimising charging into their regular business processes is one of their biggest transitioning obstacles.<sup>18</sup>

## TACKLING COMPLEXITY

# An integrated solution to accelerate the EV transition

Enterprise-sized fleets often have fully-formed teams dedicated to transitioning. For fleets that are unable to invest or build the capacity 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 for each part of the transition, this can result in a siloed, expensive and inefficient approach.

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 (or disputes) be coordinated between them?
- Do you have time to dedicate to these things on top of your existing role?





## CONCLUSION

# 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.

## ABOUT VEV

# The future is electric with VEV

VEV is a leading provider of integrated solutions for fleet electrification and carbon reduction. We offer an end-to-end service 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

Continuous performance improvement

- Electrification readiness tools
- Software platform tracking fleet operations in real-time
- Vehicle provision and charging infrastructure
- Flexible financing including opex-based monthly managed services

## ABOUT VEV

# Getting started

If you're wondering how to fund your EV transition, or who to turn to for chargers, vehicles and energy, VEV brings an 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.



**vev.com**

ask@vev.com

## HOW WE WORK



### Define your electric future

A top-level fleet transition plan including the case for electrification.

#### What we'll do:

- Run our data driven fleet assessment tool
- Sit together and map out a high-level fleet transition plan



### Understand your business and map our your journey

A detailed fleet transition plan with key stakeholders bought in.

#### What we'll do:

- Conduct a needs assessment and set fleet transition goals
- Detailed assessment of vehicle and charger needs



### Develop the detail

A comprehensive charging spec, with project and financial plans for investment.

#### What we'll do:

- Develop detailed project and financial plans
- Survey sites and create charging specifications



### Charge your future fleet

Ongoing insights and optimisations of cost, ops and sustainability metrics.

#### What we'll do:

- Ongoing support
- Rollout to new sites
- Hardware refresh and iterated plans

Sources: 1 [Fleetworld](#), 2 [Tussell](#), 3 [Tussell](#), 4 [Tussell](#), 5 [EnergyInnovation.org](#), 6 [Drive Electric](#), 7,8 & 9 [McKinsey](#), 10 [Fleetnews](#), 11 [Sparkcharge](#), 12 [Geotab](#), 13 [Alphabet](#), 14 [VWFS](#), 15 [McKinsey](#), 16 [GlobalFleet](#), 17 [EV Fleet World](#), 18 [McKinsey](#)

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