



General Administration
STATE OF WASHINGTON

Case Study:

Developing and Implementing a

Fleet *Strategic* Business Plan for Success

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What is a strategic business plan? What is the purpose?

- The purpose of a strategic plan is to define where we are, where we want to be, and what actions are needed to close the gap.
- It is a group of definitive goals with steps to accomplish and manage change
- It is a roadmap or blueprint to lead your organization to the next level of performance



Strategic Business Plan

- In its simplest form, a strategic business plan can help boost performance. It helps an organization to refocus energies and ensure that all team members are working towards the same goal(s). It involves a sequence of activities:
 - (1) Assessing the external environment
 - (2) Assessing internal capacity and organization
 - (3) Developing a vision and a mission for the future
 - (4) Developing goals and objectives
 - (5) Create action plans – for reaching that future
 - (6) Implementing the plan
 - (7) Measuring progress and revising the plan, as needed.



Why create a Strategic Business Plan?

Communication

- Communicate to staff what needs to be accomplished, when, and how to reach goals
- Communicate to upper management where the organization is heading, why it is going there, and how it will get there
- Creates a sense of confidence for upper management and customers that the organization has solid leadership



What is in a strategic business plan?

All functional areas of the organization

- Mission
- Vision
- Fleet Management Practices
 - Information systems
 - Vehicle replacement
 - Vehicle acquisition
- Operations Practices
 - In-house maintenance
 - Outsourcing
 - Vehicle rentals



Functional areas (cont.)

- Employee Development Practices
 - Future staff requirements
 - Developing current employees
- Financial Practices
 - Rates
 - Funding
 - Budget
 - Accounts Payable



How to develop a Strategic Business Plan

Analyze your environment

- Financial situation
- Political situation
- Regulatory environment/changes
- Going “Green”
- Technical changes
- Competition



Perform a 360° Assessment

- Management
 - What is their vision of the future and your organization?
- Customers
 - What do they want?
 - What is in their future
 - How do they perceive your operations?
- Staffing
 - Retirements, turn-over
 - Current skill levels
 - Future skill requirements



360° Assessment (cont.)

- Other stakeholders
 - Information Systems
 - Finance office – A/R, A/P, Budget
 - Vendors
 - Purchasing



Set the Goals

- Decide what needs to be accomplished to get to the performance level of the future
- Use benchmarks or best practices from other fleets
- Prioritize Goals
 - Importance
 - Current quality level
 - Feasibility
 - Costs
 - Resources
 - Inter-relationship of goals



Develop Action Plans

- Develop Time Lines – Gant chart
- Identify Required Resources
 - Staff
 - Financial
 - Outside Support
 - Management
 - IT
 - Purchasing
 - Vendors



Measure Your Progress and Results



- Develop measurements for each goal
- Develop milestones for each major step
- Assign responsibilities
- Describe deliverables



Contingency Plans

- What could go wrong
 - What is the effect
 - How can you foresee the problem – signs
 - Hurdles
 - What to do
- Examples:
- Budget shortfall
 - From green to fiscally conservative
 - Executive Office changes
 - Staff loss – both reduction in numbers and loss of institutional knowledge



Communicate

Present Plan To:

- Management
- Customers
- Employees

Make sure everyone understands the vision, the goals and how to get there



Dynamic Plan

- Reassess Goals on a annual basis
- Check-in
 - Customers
 - Management
 - Staff
 - Stakeholders
- If major changes, go through process again
- Stay on track



Washington State Motor Pool

- 1800 light vehicles (778 hybrids)
- 200 vehicles at two daily rental offices in Olympia
- 1600 permanently assigned vehicles state-wide
- One maintenance facility in Olympia
- 16 employees
- \$15M annual budget
- Purchase vehicles with certificates of participation, COPs



Washington State Motor Pool Strategic Business Plan

Why we decided to create a strategic business plan

- Current business plan described the current operations, but not a roadmap to the future
 - not strategic
- New executive management was not clear on the vision of the Motor Pool
- We needed a definitive plan to present to the Director to gain her support



How we accomplished creating a strategic business plan.

- Motor Pool has a very small staff –
4 administrative support people
- GA did not have the knowledgeable resources
- Hired a professional fleet consultant
 - Created RFP
 - Evaluated proposals, consultants qualifications
 - Revised proposal, created services contract



Benefits of a Professional Fleet Consultant

- Knowledgeable about fleet business
- Experience in developing workable strategic business plans
- Can identify best practices
- Provides “third party” validation
- Can be the bearer of “bad news”



The Vision

Q. What does the Motor Pool want to be in the future?

A1. More competent Motor Pool

A2. Lead fleet management organization in the State of Washington



The Strategic Business Plan Objectives



- Improve current operations to best in class
- Develop the organization for the future
- Position the Motor Pool to have the capacity to consolidate other fleets
- Communicate to management and customers the merit of the Motor Pool



What was looked at?

- Current fleet management and operation authorizing environment
- SWOT analysis of current fleet management practices
- State and federal requirements impacting the State fleet
- Other agency passenger vehicle fleet profiles and current management practices
- Key fleet management opportunities for improvement



What was looked at? (cont.)

- Executive Order 05-01 Mandates
 - Requires State agencies to have professional fleet management or have the Motor Pool manage
 - Requires fleets with less than 100 vehicles transfer vehicles to the Motor Pool
 - Required a state-wide fleet performance study by the Office of Financial Management



Agency Interviews

- Department of Social and Human Services
- Department of Health
- Department of Licensing
- Department of Labor and Industry
- Department of Corrections
- Department of Agriculture
- Department of Fish and Wildlife
- Department of Revenue
- Department of General Administration, Mail Services
- Department of Services for the Blind
- Liquor Control Board
- Office of the Attorney General



Key Areas Examined

- Vehicle Assignment
- Vehicle Acquisition and Disposal
- Vehicle Operation Management
- Vehicle Utilization Management
- Short-Term Rental Vehicle Provision
- Vehicle Maintenance and Repair
- Fleet Maintenance Vendor Management
- Vehicle Fueling



Key Areas Examined (cont.)

- Vehicle Replacement
- Customer Relationship Management
- Information Management
- Financial Management
- Business Planning and Management Reporting
- Human Resources Management
- Regulatory Compliance



How Each Key Area Was Examined and Reported

- Current Motor Pool processes
- Motor Pool management and operations
- Other agencies processes
- Other agencies management and operations
- Opportunities for improvement



Prioritize Improvement Areas

- Importance – high, medium, low
 - Impact on service level
 - Impact on fleet management performance
- Quality of current practices – excellent, good, fair, poor
- Re-engineerability
- Opportunity for innovation



Action Steps and Time-Frame Gant Chart

Improvement Strategy 1	Task Description-Information Technology Administration and Implementation			
	1. Review the monthly permanent billing problems to determine if the problem cause is the result of DGA historical information system, DGA peripheral billing systems, FA GUI uploading protocols, or lack of staff resources			7/1/2007
	A	Examine monthly billings errors in detail.		
	B	Communicate with SMP Customers.		
	C	Determine appropriate actions to resolve billing errors.		
	D	Design a quality control process for future billing.		
	E	Review timelines to complete implementation.		
	F	Coordinate and implement revise schedule.		
	Status: Billing problems appear to be resolved; finalize 7/1/07			
	2. Review and analyze fuel interface problems, issues and activities, and accomplishments to date. Determine the appropriate course of action to move the fuel interface project forward.			8/1/2007
	A	Conduct Interviews- detail responsibilities.		
	B	Determine consistency of actual implementation activities.		
	C	Interview DGA employees responsible for fuel interface implementation.		
	D	Develop approach to correct problems and deficiencies.		
	Status: Revised interface delivered and in test; finalize 7/1/07 - staff training scheduled 7/22/07			
	3. Review the shop related FA enhancement requests and define the appropriate course of action or steps necessary to implement.			5/1/2007



WA State Fleet Environment

- Decentralized and fragmented fleet management functions – many agencies have their own fleets and do not utilize the Motor Pool services
- Lack of enterprise-wide management of fleet resources
- Lack of centralized data
- Ineffectual replacement programs in many fleets



WA Fleet Environment (cont.)

- Federal, legislative, and executive mandates associated with fleets are not being enforced
- Unclear if WA will tolerate, let alone support strong fleet management leadership
- Professionally managed fleets are:
DOT, WSP, DNR, GA Motor Pool, UW



Improvement Strategy no. 1.2 Accident Reporting, Investigation, and Repair Management

- 1) Obtain analytical reports from CEI
- 2) Work with Risk Management to create accident reduction program
- 3) Develop accident reduction policies with the Loss Prevention Review Team



Improvement Strategy no. 1.3 Contract Establishment, Management and Vendor Certification/Prequalification

- 1) Determine the competitiveness of current commercial transaction management
- 2) Determine the scalability of in-house commercial transaction management
- 3) Develop an action plan for increasing in-house transaction management
- 4) Develop commercial vehicle maintenance and repair contracts



Each step has tasks, start/end dates and responsibility

4. Develop commercial vehicle maintenance and repair contracts			Start Date	End Date	Responsibility
	A	Develop service, cost performance standards and other specification			
	B	Draft request for proposals (work with Procurement)			
	C	Prepare RFP evaluation methodology			
	D	Outline contract management process			
	E	Develop centralized billing for accounts payable			



Improvement Strategy no. 1.4

Activity Based Costs of Vehicle Maintenance

- 1) Determine in-house maintenance and repair services competitiveness
- 2) Determine the scalability of in-house maintenance
- 3) Develop a plan to accommodate increased maintenance and repairs using outside vendors



Improvement Strategy no. 1.7 Commercial Vehicle Rental and Short-Term Rental Pool Sizing

- 1) Identify and evaluate potential cost savings.
- 2) Implement commercial vehicle rental contract to accommodate trip pool backup objectives.
- 3) Implement new policies and procedures for using commercial rental vehicles to supplement trip pool.
- 4) Establish performance measurement process.
- 5) Re-compute short-term vehicle rental rates.



Improvement Strategy no. 3.2 Establishment of Vehicle Utilization Guidelines

- 1) Establish interagency task force.
- 2) Define multi-tiered standards for permanent vehicle assignment/utilization management.
- 3) Develop processes for using the vehicle justification/utilization management guidelines
- 4) Develop and execute implementation plan.



Improvement Strategy no. 2.1 New Vehicle Acceptance, Preparation, and Delivery

- 1) Evaluate and identify opportunities to streamline current in-servicing process..
- 2) Define proposed in-servicing process and present to stakeholders and management.
- 3) Implement new in-servicing process.
- 4) Establish performance measurement process.



Other Improvement Strategies

- 1.1 – Information Technology Administration and Implementation
- 1.5 – Employee Performance Management
- 1.6 – Cost Charge-Back Rate Development
- 2.2 – Ad Hoc Purchases/Vehicle Disposal
- 2.3 – Fund Management
- 2.4 – Maintenance Facility Location
- 2.5 – Organization Structure Definition
- 2.6 – Operator Satisfaction Management
- 3.1 – Driver Certification
- 3.3 – Annual Report Preparation and Dissemination



Results

- Improved Motor Pool operations
- Visibility of agency fleet practices
- Growth – Daily rentals 30%,
 - Assigned vehicles 26%
- Fleet management expertise recognition
- Customer satisfaction



Bumps Along the Way

- State Auditor – Performance audit
- All Motor Pool managers left state service – hired all new from outside
- Assistant Director retired
- New legislation – GHG
- Fuel Prices skyrocketed
- State revenue decreased

Strategic business plan helped keep the Motor Pool on course

Sean Trew

