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The Digital Divide: Does your fleet management organization have a plan for staying on the right side?

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In the past five years, the fleet management profession has begun to undergo a fundamental change in its approach to management decision making. Traditional methods of managing fleet operations based on hands-on experience and "gut instinct" are being augmented by decision making based on the development and analysis of objective, quantitative information and the application of management science principles and techniques. This shift stems, in part, from growing pressure on fleet managers—from elected officials, upper management, customers, labor units, and competitors—to maintain or improve service levels and quality while holding the line on, or reducing, costs.

Recent advances in information technology clearly are the most important *enablers* of this shift towards scientific management of fleet operations. Many fleet management organizations have responded to these developments by implementing, with varying degrees of success, new management information systems, e-mail, office automation software, and Intranets. In the future, the effective integration and application of such tools will constitute one of the major pillars of progressive, professionally managed fleet operations, regardless of size or financial resources.

The IT Plan: Your blueprint for cost-effective construction of a technology -

enabled fleet operation

In light of these developments, what should fleet managers be doing today to make sure that their organizations are harnessing the capabilities of leading-edge technology? Given the potential benefits, but also the significant costs, of deploying new technology, the answer to this question is clear: develop an information technology (IT) plan.

Developing an IT plan begins with comparing current technology capabilities in a fleet management organization against those products currently available on the market. New products should be targeted for acquisition based on the expected impact of their *functionality* on business processes, and the benefits of process improvements relative to the costs of acquiring and integrating the products. For example, how do the costs of implementing bar code scanners to capture work order data compare with the savings that can be realized by automating manual data entry, verification, and correction processes? In answering questions such as this one, it is important to be honest with yourself about how new technology will change current work methods. For instance, would the time currently spent on manual data entry chores be devoted to other productive activities if these chores were automated? If not, would automation in this area really produce net benefits to the fleet management organization?

A major challenge in developing a thorough IT plan is finding out what IT solutions are available on the market. The best people to answer this question are those that are knowledgeable about both fleet management and information technologies. Some fleet management organizations seek the services of a consulting firm to assist in developing an IT plan; others rely on their fleet management system vendor to keep them informed of new developments in this area. In-house information technology organizations can be a good source of general information, but individuals in such organizations usually have limited knowledge of the intricacies of fleet management or the suitability of fleet industry-specific products.

Figuring out how to best spend your IT budget is no small challenge when one considers the array of emerging technologies. For example, Automated Vehicle Location (AVL) is a solution that tracks equipment in real time using GPS and GIS technologies. Although this has been a relatively costly tool to use in the past, the increasing access of wireless voice and data networks and GPS infrastructure has reduced these costs considerably. Other technologies that promise to transform the use of information in fleet management organizations include event monitoring (so

called “smart”) devices, voice recognition software, wireless data capture and communication devices, document imaging systems, and real-time condition and performance sensors.

Many other tools, which can seamlessly integrate with existing and new fleet management information systems, are available to today's fleet managers. Ad hoc query and report writing tools, replacement modeling and business planning programs, VIN decoders, and electronic parts catalogs and repair manuals are just a few of the products today that can significantly increase the utility of a traditional fleet management information system.

Realistic goals, timelines, and budgets

The fleet management organizations with the greatest success in implementing these new technologies rely on IT plans that provide for the incremental but continuous integration of new functionality. This new functionality should apply to both the core fleet management information system and to ancillary products that complement and enhance it. In the rush to install a new fleet management system, for example, many organizations implement only a portion of the system's functionality. An effective IT plan provides for the implementation of additional FMIS modules, such as warranty management, equipment replacement, bar code scanning, and shop floor scheduling. By having a comprehensive plan with a timeline, a fleet organization can continue to increase productivity far beyond the initial payback of automating core repair order processes.

A common fallacy about implementing new technology is that it involves little more than purchasing and installing a new product and securing end-user training in its use. The reality is that fleet management organizations almost always spend far more time and money on the *integration* of IT tools with business processes than they spend on the actual purchase and implementation of such tools. This is universally true, regardless of whether or not an organization is aware of this fact when they initially purchase a new IT solution.

Integration is the process of adapting new tools to established work methods and other IT solutions that support them, as well as, in many cases, adapting work methods and/or employee skills to the functional features and capabilities of the new tool. It is important to keep in mind that the developers of hardware and software applications for the fleet industry always implement, but rarely integrate their products. An effective IT plan and budget takes these integration requirements and

costs into account.

Platform and network considerations

A final major consideration in developing an IT plan relates to the *platform* that will be utilized to deliver IT tools to end users. There are a variety of platforms available today. However, thin-client, Intranet, and application service provider (ASP) models are clearly dominating the technology industry as the platforms of choice. The principal virtue of these platforms is that they facilitate the efficient and inexpensive distribution and maintenance of multiple applications to multiple end users. They also support another trend that promises to further change the definition of effective fleet management: providing real-time access for fleet users to the detailed information that historically has been available only to fleet managers. Allowing fleet users to make an appointment for a PM service, to reserve a motor pool vehicle, to check on the status of a repair, or to review an itemized monthly bill for services-all by accessing the fleet organization via a corporate Intranet-is the fleet industry equivalent of on-line banking and bill paying.

A final reason to give careful consideration not only to platform choices but to all of the other facets of information technology highlighted here is that a good IT plan and a realistic IT budget will help a fleet management organization proactively respond to one of the most serious side-effects of the booming digital economy: the depletion of in-house IT talent pools in many government jurisdictions and private companies.

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