

## Op-Ed: Why your fleets' cost-efficiency and sustainability ambitions go hand-in-hand

Shell's Giorgio Delpiano explores the company's most recent report on fleet decarbonization and sheds light on the challenges businesses face in this process. The company's Senior Vice President for Business Mobility offers three key recommendations to overcome these obstacles.



Businesses recognise the urgent need to decarbonise, yet only about a fifth of fleets recently surveyed by Shell have formally committed to decarbonisation as part of their key performance indicators (KPIs). Obstacles such as the need for more available solutions, limited government support, and uncertainty about implementation contribute to the challenge of decarbonisation. However, it is the cost of decarbonisation that is perceived as the biggest challenge to fleets as they aim to achieve their sustainability goals.

Despite market variations, businesses that move people and goods face similar challenges: meeting safety standards, reducing emissions and lowering total costs to remain competitive. Our new report, *'Fleet Decarbonisation: How to Drive Cost Efficiencies by Unlocking Value'* is designed to help fleet managers address some of these challenges, highlighting practical steps fleet managers can take to balance decarbonisation goals with driving cost efficiencies, offering three key recommendations:



Giorgio Delpiano, Shell's Senior Vice President for Business Mobility | © Shell

### **1. Understand the 'total' total cost of ownership (TCO) of EVs versus internal combustion engine (ICE) vehicles**

Balancing cost and value is crucial for those considering the switch to EVs. Short-term investments can help pave the way for long-term gains. Comparing the TCO of electric and ICE vehicles can help fleets navigate their electrification journey more simply as it allows businesses to gain a holistic view into all aspects of operations, from the initial purchase price to ongoing maintenance fees and recharging infrastructure costs. For high mileage vehicles, the TCO of EVs and ICE vehicles is at parity or already better in several markets. Understanding which of your vehicles are the best options for EV replacement will increase utilisation and uptime of the EVs you will invest in.

### **2. Learn about the charging infrastructure your fleet requires**

Adopting EVs is just the beginning; a successful EV fleet relies on its charging infrastructure. Understanding your fleet's charging needs, from location to speed to cost, is crucial for an effective charging setup. Customised charging solutions empower fleets to recharge efficiently and cost-effectively. For example, charging costs can vary widely depending on where you charge your EVs. This variability may work well for fleets with flexible schedules, like passenger-carrying fleets. However, for delivery and operational fleets - where vehicles tend to be larger and are critical to delivering their goods and services - having private charging infrastructure at depots, offices, and homes becomes crucial. Private charging provides greater transparency into power costs and allows fleets to create custom solutions, simplifying the management of charging expenses. Additionally on-site energy solutions such as solar panels or stationary batteries can help to supplement the grid and reduce energy costs. Equally, smart charging software allows fleet operators to proactively monitor their electricity consumption, helping to manage charging schedules and reduce electricity costs.

### **3. Drive efficiency no matter what powertrain you operate**

If transitioning to EVs isn't feasible yet, fleets can still take steps today to enhance efficiency, lower emissions, and reduce costs. Managing a fleet requires a grasp of operational data, often collected by telematics solutions. The next step is translating these data-driven insights into actions that can help to drive efficiencies, such as providing data on driver behaviour, vehicle scheduling and utilisation, which can help to identify opportunities to improve fuel economy and in turn drive emissions reduction. We see many of our customers achieving up to 10% fuel saving reductions by managing their fleet through better use of data. This is an add-on that does not need new investments.

Finally, you can accelerate decarbonisation now in many markets through alternative fuels, such as renewable diesel, otherwise known as hydrotreated vegetable oil (HVO), and Bio-LNG.

### **Turning decarbonisation from an obstacle to an opportunity**

While decarbonisation poses a significant challenge for the fleet industry, it also presents a substantial opportunity. Fleet operators surveyed want to drive efficiency as one of their top three most desired benefits over the next three years – and finding efficiencies is a practical way to reduce emissions and costs.

Multiple sustainable solutions are available and can drive efficiency, lower the total cost of ownership and deliver a competitive and sustainable fleet. It is a matter of starting!

Find out more and download your copy of '*Fleet Decarbonisation: How to drive cost efficiencies by unlocking value*' [here](#).

*Written by Giorgio Delpiano, Shell's Senior Vice President for Business Mobility*