Global RFPs – Buyer & Vender Perspectives

INTERNATIONAL FLEET ACADEMY

NAFA 2016 INSTITUTE & EXPO

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Speakers

General Motors
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Manager, Global Fleet

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Mercury Associates
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Senior Consultant, Global Consulting

Janis Christensen, CAFM
Director, Corporate Fleet Consulting
Agenda

- Buyer’s Perspectives
- Seller’s Perspectives
- Q&A

You will learn:
- What makes a great RFP from the buyer and supplier perspectives
- Why pre-bid meetings and/or relationship building is important
- Examples of both successes and failures
Buyer Perspectives
Buyer Perspectives

• What Works and Why?
  – Defining the problem
    • Importance of understanding the end-to-end fleet management process
  – Get rid of low hanging fruit before going to bid
    • Identify and get rid of unused inventory
    • Finish global policy / guiding principles
    • Communicate successes / savings / problems with senior management
Buyer Perspectives

• What Works and Why?
  – Have realistic goals
    • Global standard operating processes / procedures should be in place!
      – Ownership
      – Governance
      – Policy
      – Accountability and responsibility
  – Have a project team with the right people
Buyer Perspectives

- What Works and Why?
  - Ready to roll!
    - Global guiding principles and SOPS are done
    - Everyone agrees on fleet governance structure, RACI, and SWOT
    - Fleet metrics are reported and monitored
    - TCO savings are identified and shared

- Responsible
  - The person who actually carries out the process or task assignment
  - Responsible to get the job done

- Accountable
  - The person who is ultimately accountable for process or task being completed appropriately
  - Responsible person(s) are accountable to this person

- Consulted
  - People who are not directly involved with carrying out the task, but who are consulted
  - May be stakeholder or subject matter expert

- Informed
  - Those who receive output from the process or task, or who have a need to stay informed
Buyer Perspectives

• What Works and Why?
  – Designing a successful RFP
    • Provide meaningful background information
    • Technical specifications
      – Know the response you want for every question
      – Know what you want to know in advance
      – Ideally, don’t ask a question that cannot be measured
    • Pricing matrix
      – Capture all costs
      – Make sure you are comparing apples to apples!
Buyer Perspectives

TIME TO EVALUATE

• Should you share scoring methodology with potential bidders?
• Does your scoring methodology capture value?
• What is the value / cost to change suppliers?
Buyer Perspectives

- Relationship building is important
- Consider pre-bid meetings if some suppliers are not familiar with your fleet or they don’t think you are serious
Buyer Perspectives

Supplier Optimization
  • Maintenance and repair
  • Process efficiencies
  • SRM optimization
  • Need to align on right #

Pricing Leverage and Global Bonuses
  • Can help your smaller fleets
  • Focus on best opportunities globally

Policy Harmonization
Supports WW Category Strategy
Supplier Innovation
Buyer Perspectives

Diverse Fleet Requirements

- Field vs. executive
- Regional expectations
- Cargo needs

Need for “Resident” OEMs (e.g., Detroit drivers)

- OEM org structures may not be in alignment
- Beware the “single source”
- How important is “choice” in your culture?
Buyer Perspectives

Actions to Consider

• Use Other Suppliers as Resources (e.g., FMC if OEM RFP)
• Regional Fleet Teams – Align on Critical Needs
  – Will ROI be there?
  – Don’t create what can’t be created

• Get “Buy-in” from all Concerned Parties (e.g., Procurement, HR, Sales, Finance)
• Be Specific in Requirements and Benefits
  – Are there regional differences?
  – Manage expectations
Buyer Perspectives

ACTION PLAN

1. May not work for everyone

2. Be clear on governance and who manages the relationship regionally and/or globally

3. [Image with a hand pointing]
Vendor Perspectives
Vendor Perspectives

• “Buy-in” and Ownership
  – Senior executive “buy-in” and support
  – Know your regional fleet / procurement manager
  – Know your strategy
  – Set up formal quarterly meetings
Vendor Perspectives

• Local Country Profile and Need
  – Fleet size
  – Benchmark vehicles – current vehicles
  – Vehicle types – tool of trade
  – Volume forecast and future strategy
Vendor Perspectives

- **What Is Important?**
  - How is TCO calculated?
    - Fuel
    - Depreciation
    - Insurance
    - Repairs (SRM)
    - Taxes
    - Maintenance (Tyres, SRM)
    - Downtime
    - Value of safety items
Vendor Perspectives

• Discussion Points
• Follow Through With Decision and Inform All Parties Regularly
Sample Vehicle Specifications for Global RFP

Request For Information
Car Manufacturers

OBJECTIVE
To obtain pricing for "like" vehicles vs. our current fleet that meet our minimum specifications

INFORMATION INCLUDED IN FILE
RFQ Template
OEM Pricing Template
Global Rebates Template

PROCESS
IMPORTANT INFORMATION: All models you complete must include the following specifications:

<table>
<thead>
<tr>
<th>Europe Specs</th>
<th>US/Canada/Puerto Rico Specs</th>
<th>Latin America Specs</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESP (Electronic Skid Prevention)</td>
<td>Front and Side airbags</td>
<td>Air bags (driver &amp; passenger)</td>
</tr>
<tr>
<td>ABS (Antilock Braking System)</td>
<td>Daytime running lights</td>
<td>Anti-Lock Brakes</td>
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<tr>
<td>4 Airbags minimum</td>
<td>Remote keyless entry</td>
<td>Air conditioning</td>
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<td>Metallic painting</td>
<td>Spare tire</td>
<td>Seatbelts</td>
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<tr>
<td>Cruise control</td>
<td>Cruise control</td>
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<tr>
<td>Air-conditionning</td>
<td>Automatic (no stick shift)</td>
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<tr>
<td>Radio CD</td>
<td>Bucket front seats</td>
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<tr>
<td>Bluetooth</td>
<td>Power seats w/Lumbar</td>
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<tr>
<td>GPS (navigation system)</td>
<td>Body side moldings</td>
<td></td>
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<tr>
<td>Parking sensor (min rear)</td>
<td>ABS braking system</td>
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</table>

Motorization

<table>
<thead>
<tr>
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<th>EU Minimum</th>
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<tbody>
<tr>
<td>Small</td>
<td>1.6L, 100 CV</td>
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<tr>
<td>Med</td>
<td>1.6L, 110 CV</td>
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<tr>
<td>Large</td>
<td>2.0L, 120 CV</td>
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<tr>
<td>MPV Med</td>
<td>1.8L, 110/135 CV</td>
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<tr>
<td>MPV Large</td>
<td>2.0L, 130 CV</td>
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When quoting comparable vehicles, ensure that the vehicle model & trim you are quoting has, at a minimum, the required specs listed above.
## Sample Pricing Template

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<th>Country</th>
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<th>Model</th>
<th>Descriptio n</th>
<th>Make</th>
<th>Model</th>
<th>Body</th>
<th>Descriptio n</th>
<th>Engine</th>
<th>HP</th>
<th>Fuel Economical Consumptio n</th>
<th>CO2 Emission s (g/km)</th>
<th>Vehicle Safety Rating</th>
<th>Currency Code</th>
<th>List Price</th>
<th>Discount (%)</th>
<th>Delivery Charge</th>
<th>VAT</th>
<th>CO2 Emission s Taxes/ Rebates</th>
<th>Other Taxes</th>
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### Buyer Provides:
- Region
- Country
- Current volume by type (e.g., sales)
- Current fleet by vehicle make, model, description

### Vendor Provides:
- Comparable vehicle details (make/model/body/description/engine/HP)
- Sustainability information (fuel economy, CO² emissions)
- Safety rating
- Pricing bid (list, discount, delivery)
- Taxes and registration data (VAT, CO²)
- Comments
Wrap-up and Q&A

• What makes a great RFP?
• Why are relationships and pre-bid meetings important?
• What did we learn from success stories?
• What did we learn from failures?
Thank You

Please complete and submit your evaluation forms!