

CASE STUDY

SWINTON INSURANCE

Achieving substantial fleet cost savings





SWINTON INSURANCE

Fleet Size

176 vehicles

The brief

Swinton Insurance approached Lex in the search for a partner to provide a reliable and cost effective sale & leaseback for its existing fleet, combined with a pro-active fleet management solution.

With 176 vehicles and various levels of car requirements for Branch Managers, Regional Managers and the Senior Management team, Swinton wanted a flexible vehicle management solution that could be delivered efficiently – both in terms of cost and administration. In particular, being classified as a VAT restricted organisation, it needed to identify the most favourable funding method for its fleet.



Lex Solution

Lex was appointed by Swinton through a tender process – primarily on the grounds of the favourable funding method and maintenance terms Lex proposed.

Lex offered Swinton the opportunity to outsource day-to-day management of its fleet, reducing both administration and overall costs.

The Lex approach started with the introduction of its Momentum team to conduct an independent fleet review. Momentum is Lex's team of fleet consultants with specialist expertise in HR, finance and operations. This process identified further cost saving opportunities for Swinton – for example, Lex analysed Swinton's usage of pool cars and recommended that hiring cars when necessary would be a cheaper option.

By examining the different cost bases, including vehicles, rentals, fuel, insurance and administration, the Momentum team was able to make a number of cost cutting recommendations. Swinton was then able to review all recommendations and select those it wished to adopt.

More recently, Lex has signed a sole supplier agreement with Swinton, a move which has enabled Lex to provide even better terms still.

“The relationship with Lex has worked well. On a practical level, our ability to outsource certain administrative aspects of fleet management has reduced the amount and therefore costs of administration at our end.”

Mrs Donna Winrow,
Head of HR, Swinton





Outcomes

By implementing a solus agreement with Lex, Swinton has benefited from favourable funding arrangements, such as a percentage refund on non-use of maintenance and service. This has effected a saving of £11,000 per year.

Furthermore, competitive rental rates for hire cars and a loyalty bonus for vehicles has resulted in further savings. Donna Winrow, Head of HR at Swinton Insurance, explained: "The relationship with Lex has worked well. On a practical level, our ability to outsource certain administrative aspects of fleet management has reduced the amount and therefore costs of administration at our end.

At the same time, on a more strategic level, the external perspective offered by Momentum's independent review has allowed us to consider further opportunities for cost savings which we can pursue now and at a later stage."

In addition to fleet administration and costs, Lex reviewed Swinton's car policy to ensure it was up-to-date from a Duty of Care perspective.

Lex provided Swinton with support in developing a driver handbook, offering examples for Swinton to consider so that it could select preferred elements and adopt best practice. A driver handbook was subsequently issued to all drivers.

Donna Winrow concluded: "Overall Lex has consistently demonstrated a strategic awareness of the bigger picture. While we may not choose to adopt every recommendation, their approach has enabled us to consider new options and benefit from a fresh, external perspective."

"We are continuing to assess the impact of changes we do make so that we can evaluate savings and benefits on an ongoing basis and look to further involve Lex in this process. The results to date have been very positive."

Benefits Summary

- › Cash injection of £1.6m paid to Swinton resulting from the sale & leaseback of fleet through Lex
- › Favourable maintenance terms enabling savings of £11,000 per year
- › Reduced administration due to outsourcing of certain aspects of fleet management
- › Further cost savings due to competitive rental and loyalty bonuses
- › Opportunities for efficiencies identified by exchanging pool cars for hire agreements
- › Swinton car policy updated to reflect best practice Duty of Care responsibilities

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