

# Companies reconsidering the company car — and truck

A company car has long been a perquisite for salespeople, executives and small-business owners. Although the Internal Revenue Service requires documentation of personal use, tracking and checking on a daily basis is difficult for both the employee and the employer and frequently is estimated at tax return time.

In recent years, that benefit

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has expanded in many businesses to include company trucks. Supervisors, tradesmen, delivery drivers and service personnel take their vehicles home at night rather than bring them into the yard.

This practice grew for a number of logical reasons. A



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fleet of trucks, especially those loaded with tools or equipment, makes a tempting target for thieves. One truck is usually more secure in the driveway of an employee's home.



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Cost savings are generated by having an employee "off the clock" when he or she leaves the project site, instead of collecting overtime while driving back to headquarters. Similarly, it makes no sense to pay for fuel to drive back to the yard and to have the employee pay

for more fuel to drive home.

From the employees' perspective, taking the vehicle means they get home sooner and save money on gas.

There's also that little guilty pleasure of getting away with a side trip to the grocery store on the way home using "free" gas.

Now, even with gasoline down below \$3 a gallon, and diesel below \$4, some local ser-

vice businesses are asking whether they can afford to let employees take vehicles home any longer. One company I know has a fleet of about 50 vehicles delivering residential services. Its executives estimate that the average employee is driving 20 miles each way from the last job of the day to home. That translates

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# Companies looking to cut fleet costs

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into more than \$120,000 a year.

This company (all companies mentioned chose to remain anonymous) is asking employees to share the cost of gasoline. It is plotting the distance from each employee's house to the business (where they must sign in each morning) using an Internet mapping program. The company then calculates the cost of fuel for the trip to work and deducts that amount from the employee's paycheck.

The company will pay for fuel costs for the trip home, as well as vehicle maintenance and repair. While this still represents a substantial savings to employees over using their personal vehicles to commute, they are not happy about the new "bill" from their employer.

Other small businesses are attacking fuel costs with technology. A San Antonio mobile medical services provider has invested heavily in GPS tracking and hired a full-time dispatcher. Now, instead of handing out service calls as they come in, it transmits them to technicians on a "just-in-time" basis. Not only has the company eliminated overlap (drivers frequently passed each other going in opposite directions), but the number of daily visits per technician has increased.

Distributors are re-examining delivery routes. In some cases, software to design more efficient routing, or to avoid congested areas during certain time periods, is worth the investment.

One local company delivers to five surrounding states. It informed customers in one state that their combined volume no longer paid for the expenses of sending a truck there each week. The custom-

ers were given several months to increase their volume or to refer business. When neither happened, the distributor stopped the deliveries and now ships via UPS.

If you operate a fleet, invest immediately in locking gas caps for all your vehicles, even if they are being taken home by an employee. Some folks will siphon from a business vehicle parked in a neighbor's driveway when they never would consider stealing from the neighbor directly, and an employee is less likely to worry about a slight drop in the fuel gauge of the company vehicle.

Of course, you eventually can buy more fuel-efficient vehicles, but that can happen only over time. It may make sense to look at an extra vehicle today if you are using a large utility vehicle, such as a diesel truck, SUV or delivery van for errands. With gas prices high, a smaller vehicle dedicated to light loads and short trips might pay for itself.

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