

# GLOBAL DATABASE HELPS COLGATE-

## MANAGE FLEET COSTS

By Cheryl Knight

**M**anaging a decentralized fleet on a global scale represents a monumental task for even the most seasoned professional. And for one New York-based company, controlling fleet costs worldwide was becoming more difficult as its business continued to expand.

With a presence in more than 200 countries and territories, Colgate-Palmolive is well known for its oral, personal, and home care products, as well as its pet nutrition line. The company's consumer products include internationally recognized brand names such as Colgate, Palmolive, Mennen, Softsoap, Irish Spring, Ajax, and Hill's Science Diet pet food.

Colgate-Palmolive's three fundamental values — caring, global teamwork, and continuous improvement — permeate the company's corporate landscape, all the way down to the driver level. The company depends on a 3,600-vehicle global fleet to support its sales force, as well as middle management, directors, and general managers.

### Company Grapples with Identifying True Fleet Costs

The Colgate-Palmolive global fleet program, including its North American fleet, is decentralized, with day-to-day fleet details handled by fleet managers at the subsidiary level around the world. However, two managers based in the company's New York office are charged with managing global operations. Phil Puma, director of operations and global fleet manager, and Tom Settel, manager of global fleet operations, must take a 30,000-foot view of the intricate and deli-



# PALMOLIVE

*A newly implemented database captures vital fleet information for Colgate-Palmolive around the world, helping executives gain a true cost perspective. It also enhances communication of the company's standardized fleet policy.*



cate globalized process.

“It is not efficient to have an in-house staff of 20,” Settel said. “We are decentralized because it is the easiest way to operate. We choose to use our fleet service providers, primarily Automotive Resources International (ARI) and PHH Arval, as our right arm and our eyes in the field, and it’s working very, very well. We leverage their expertise as to how to best manage our fleet globally.”

Puma and Settel work closely with the human resources and finance departments at their subsidiaries to refine policies and ensure a smooth operation.

While a general fleet policy is in place, Puma and Settel, working with the company’s global sourcing group, identified manufacturers and service providers with which they want to do business. Many fleet policies are adjusted depending on local subsidiary requirements.

“We include our subsidiaries in overall management, but the exceptions to policies are handled here at corporate,” Settel explained.

## **Colgate-Palmolive Consolidates Fleet Data Management**

Colgate-Palmolive’s global fleet operations were increasingly difficult to manage due to inconsistent reporting and information gathering.

“The goal has been to standardize our fleet operations as much as possible around the world to facilitate reporting and management,” Settel said.

In reviewing the global fleet operations, executives at the company’s corporate office determined it was critical to organize and consolidate operations to gain a better

*The Colgate-Palmolive fleet team includes Phil Puma (r) director of operations/global fleet manager, and Tom Settel, global fleet operations manager.*

## **AT A GLANCE**

Developed with Automotive Resources International, Colgate-Palmolive’s new global reporting system provides tools for the company to:

- Leverage its global purchasing power.
- Benchmark across regions.
- Adapt to cultural, legal, and monetary systems around the world.



*Phil Puma (left) and Tom Settel manage Colgate-Palmolive's decentralized global fleet from company headquarters in New York City.*

“cost” perspective.

Puma and Settel were asked to head up an initiative that would ensure adherence and compliance to the new global fleet policy. However, they lacked a way to centralize or store fleet management data. The team looked to one of their primary fleet management partners, ARI, for help.

“ARI took our vision and worked with us to craft a customized reporting system,” Settel said. “They were invaluable in coming up with a solution that has worked very well so far.”

### **Key Partnership with ARI Critical to Success**

What has worked so well is the creation and implementation, which began eight months ago, of a unified global fleet management database and reporting system that gives the company a comprehensive, up-to-date view of its entire fleet around the world.

ARI, based in Mt. Laurel, N.J., helped Colgate-Palmolive develop the new system and through using the ARI Web-based fleet management system, Colgate-Palmolive has gained a gateway to global vehicle and cost information.

Determining what information the database would hold led to a complete review of Colgate-Palmolive

fleet policies and procedures.

“The entire process included an extensive review of what we were going to do and how we were going to do it,” Puma said. “We explored all options and opportunities to get to where we are today.”

The system’s design was developed after an exhaustive effort by Colgate-Palmolive and ARI to determine all of the elements necessary for global standardization.

“Colgate had unique requirements in their global operations,” said Bill Kwelty, VP and chief information officer at ARI. “So we augmented our systems and extended the data capture to accommodate these needs, down to the driver level.”

It became clear that Colgate-Palmolive needed tools that provided a competitive advantage, including:

- Leveraging its global purchasing power.
- Benchmarking across regions.
- Adapting to cultural, legal, and monetary systems around the world.

### **Benchmarking Helps Team Focus on Ultimate Goal**

With consolidation as the ultimate goal, Puma and Settel used the North American fleet operations as a benchmark for organizing globally. And while necessary policy ex-

ceptions can be made, standardization and dissemination of best practices to the entire organization were the ultimate goals.

“This initiative began because we needed to standardize operations,” Puma said. “Our intent was to simplify our fleet program procedures with an updated company car policy. We were dealing with too many manufacturers and vendors. We really needed a vision of what we were doing globally.”

Additional standardized policies included driver levels, vehicle assignments, vehicle models and options, required safety equipment (such as airbags), and the implementation of a global safety program.

According to Puma and Settel, the program will benefit nearly all the company’s subsidiaries that own or lease automobiles. The new guidelines significantly reduce the number of car manufacturers from which the company purchases— from 33 to three — and designates two fleet management companies to service most of their business.

“Utilizing the expertise of the global fleet management providers, ARI and PHHArval, Colgate-Palmolive will benefit globally through improved buying power, consolidated data collection, and professional vehicle management,” Puma said.

### **ARI's Database Provides Global View of Fleet Operations**

ARI's Global ACCESS system integrates information from six continents leased or managed by ARI and its partners, Orix, Eqstra Fleet Management, Renting Colombia, and Johnson & Perrott Fleet Services. The partnership leases and manages 1.5 million vehicles. Through the ACCESS system, Colgate-Palmolive collects, stores, reaches, retrieves, and manipulates fleet data in real-time.

"This allows us to make better-informed business decisions," Settel noted.

System highlights include incorporated features, such as unified currency capabilities, critical for Colgate-Palmolive needs. They can manipulate the data according to their reporting needs and supervise the approval process from New York.

"We're relying on them to bring everything into focus," Puma said.

The database is centralized and secure in ARI's Data Warehouse. Security, an especially important tool for ensuring driver privacy, meets stringent international requirements.

The platform-independent system captures and stores data regardless of information format.

The system handles a variety of international character sets, including Japanese, Russian, and Arabic. Truly global in scope, the system encompasses fleet data from six continents, major vendors worldwide, client locations worldwide, as well as other leasing companies.

### **Managers Utilize Interactive Database Reporting Capabilities**

The system allows Puma and Settel to gain a true perspective on costs around the world. Its strength lies in the database itself and its reporting capabilities.

All fleet costs are provided with currency conversions, allowing operational benchmarking across countries and regions using the U.S. dollar as a standard currency. With fleet data from any vendor, the system can perform global manufacturer-by-manufacturer, country-by-country, division-by-division, driver-type-

by-driver-type benchmarking in a unified currency.

Through the database's global interactive reporting, users create reports and augment existing reports with graphs and pivot tables. The system also generates regionalized reporting with a global roll-up. And a best-in-class global report package also includes customized/specialized reports.

In response to a specific Colgate-Palmolive need, ARI developed a "Notes" tab within the database. The tab allows for direct communication between the subsidiaries and Puma and Settel.

"I can enter a conversation summary that I have with a subsidiary, do

***The system allows Colgate-Palmolive to gain a true perspective on costs around the world. Its strength lies in the database itself and its reporting capabilities.***

any required research on the subject, and then communicate the information back to the subsidiaries, all within the Notes feature," Settel said.

Other system features include:

- Figures on global inventory by manufacturer and country.
- Information on the global "spend" by manufacturer and country, enabling Colgate-Palmolive to leverage prices based on total purchase.
- Reports on driver class ratings to ensure compliance with company policy.
- Asset and maintenance management information covering vehicle makes and models, by country, vehicle costs, and maintenance costs in both local and U.S. currency.
- Reports exported to multiple formats, including Excel.
- Central source reporting. Colgate-Palmolive is not required to combine reports from separate suppliers — one report arrives as the finished product.

According to Bill Powell, assistant

manager of business intelligence at ARI, different matrices were built to make sure the system was capable of meeting Colgate-Palmolive's specific needs.

"The system has a standardized data exchange/platform for exchanging information," Powell said. "No matter where the fleet managers are, they get the required information on their computer screens in front of them in their language."

Authorized users can access fleet data, download it to their desktops, or augment data right on the site by utilizing a dashboard.

According to Dan O'Callahan, manager of customer information services at ARI, the versatility of the database is essential for the success of a global operation.

"Many global companies are throwing blind at a dartboard, hoping they hit the mark," O'Callahan said. "With this system, Colgate-Palmolive now has the capability of pulling up complex information about operations across the world."

### **Data Collection System Continues to Evolve**

Colgate-Palmolive's new program will continue to develop over time. The entire system implementation will take approximately three years.

Puma and Settel also intend to identify additional areas to provide specific company process and procedure improvements and opportunities for long-term savings. They will continue to work with manufacturers and fleet service providers to fine-tune operations.

"We have a good foundation in place, but things are constantly changing," Settel said. "This is going to be an evolutionary process."

Puma and Settel plan to continue working with their partners to gain a better perspective of their global fleet, especially in the areas of safety, vendor partnerships, and specific business needs around the world.

"Ultimately, we're hoping to see efficiencies and savings," Puma said. "This new system has allowed us to understand what our true spend is and where we can make improvements and enhancements to the spend." ■