



Driving Car Rental Cost Reduction

Case Study



Current Program

Employees

300

Car Rentals Annual Spend

\$185,000

What was achieved

FCM had managed the travel programme for our client - a world leader in electronic optical equipment and analytical instrumentation for high-end scientific and industrial research and development - for more than a decade. With 300 employees in the US, it had been spending around \$185,000 on car rentals annually.

The client wanted to reduce this cost plus achieve better service options by changing to a new vendor and working together, we were able to develop and implement a new car programme that soon gained positive feedback from travellers thanks to improved service and convenience.

After just five months, lower daily fees and city surcharges had saved our client more than \$6,000.

Recommendations by FCM Consulting

The original preferred supplier contract had been in place for 10 years and although few service issues were reported during this time, some travellers had started to try other vendors, finding their services to be better.

FCM was initially able to determine if the company should switch by completing a detailed analysis of its current programme followed by a request for proposals from other vendors, led by FCM's Account Manager. Detailed reporting from our proprietary ClientBank reporting tool formed part of the RFP to ensure it contained as much accurate data as possible for potential suppliers to base proposals on. This included travel volume, top city pairs, list of car rental destinations, car rental summary and detailed car transaction reports.

The main goal of the RFP was to secure a car vendor that could offer:

- A lower daily rate with insurance included
- Lower city surcharges
- Status matches for top travellers
- Improved traveller satisfaction

New Program Results

Savings within 5 months

\$6,000

Results

Our client was understandably concerned about making a change and the impact it may have on travellers, especially the potential for losing status and points accrued over time. They were also worried about the time it would take to implement this service change and the interim impact on employees.

But following positive responses to the RFP, several discussions were held with the top bidder and a new car vendor was selected. FCM's Account Manager was on-hand to assist and explain the change to employees and together an effective implementation plan was created with relevant communications and an enrollment link to join.

The incoming vendor was able to:

- Reduce the daily rate and daily surcharge in many top rental cities by several dollars
- Provide status matches equivalent or better than the existing status
- Offer more top tier status matches than previously achieved
- Improve overall service compared with the previous vendor

