

TAK Communications Fleet Spend Optimization

Treya Partners leveraged its expertise in strategic sourcing and total cost modeling to address TAK's Fleet challenges

Introduction

In a high-cost, decentralized fleet environment, TAK Communications faced rising expenses due to aging assets, fragmented data, and limited visibility across a fleet of over 1,000 vehicles. Treya Partners partnered with the TAK team to implement a strategic, data-driven transformation - identifying \$473K in annual savings, streamlining operations, and laying the foundation for smarter, long-term fleet management. Read on to see how Treya's end-to-end strategy turned a complex, costly fleet program into a high-impact opportunity for value creation.

Background

TAK Communications is a prominent player in the telecommunications industry, operating across six distinct business units with a non-centralized operational model. The company manages a fleet of over 1,000 vehicles dispersed across its various divisions, and faced significant challenges in cost management, operational efficiency, and data consolidation. TAK engaged Treya Partners with the support of its Private Equity sponsor, Platinum Equity, to help streamline its fleet operations, reduce total costs, and enhance its vehicle management capabilities.

Impact Summary:

Through meticulous data analysis, a data-driven approach to fleet optimization, and strategic OEM and FMC negotiations, Treya Partners enabled TAK Communications to transform its fleet operations, creating \$473K in hard dollar savings along with meaningful operation improvements. By reducing fleet costs, improving visibility, and streamlining processes, TAK is now better positioned to achieve operational excellence and support its long-term strategic objectives.

\$473K annual savings

The Challenge

- Decentralized fleet operations leading to fragmented data availability and inefficiencies
- High operational costs driven by vehicle age, maintenance expenses, and fuel consumption
- Lack of visibility into total cost of ownership (TCO) for the entire fleet
- Absence of a centralized system to track vehicle utilization, maintenance, and fuel expenditures
- Considerable time and resource burdens on TAK's internal teams due to manual fleet management processes

Treya's Approach

Treya Partners leveraged its expertise in strategic sourcing and total cost modeling to address TAK's Fleet challenges. Our process included the following steps:

1. Comprehensive Data Analysis

- Gathered and consolidated copious amounts of vehicle data from TAK's six business units
- Built comprehensive total cost models for all vehicles, analyzing factors such as maintenance costs, fuel expenses, utilization, and vehicle age
- Identified highest cost vehicles ("key offenders") and inefficiencies across the fleet

2. Prioritization of Vehicle Replacements

- Developed a framework to assess vehicles based on TCO and total operational costs
- Factored in elements such as maintenance and fuel expenses, utilization rates, and vehicle age to pinpoint high-priority vehicle replacements needed
- Created actionable insights to optimize fleet composition and reduce costs

3. Fleet Management Requirements Gathering

- Engaged TAK's stakeholders to understand operational needs and fleet management requirements
- Documented key priorities, including enhanced tracking, better maintenance scheduling and approval processes, and cost transparency.

4. Comprehensive RFP Process

- Ran a competitive Request for Proposal (RFP) process to evaluate Fleet Management Company (FMC) proposals from leading national providers
- Assessed pricing and performance efficiencies offered by transitioning to an outsourced fleet management solution
- Effectively demonstrated the value of an FMC to TAK by quantifying both hard dollar cost savings and soft savings, which ultimately guided TAK's decision to pursue an FMC solution
- Conducted in-depth demos with FMCs to assess platform capabilities and functionality

5. Negotiation and Savings Realization

- Identified \$360K in annual savings from the replacement of highest cost-offender vehicles
- Negotiated competitive cost structures combined with strong rebates and incentives with select FMCs, which more than offset the costs, yielding ~\$60K in additional hard dollar savings, and a signing bonus
- Negotiated improved vehicle pricing from OEMs
- Enhanced contract terms to deliver long-term value for TAK

TCO Approach to Fleet Spend Management

Results & Impact

Treya's Fleet TCO optimization initiative delivered both immediate and long-term benefits for TAK Communications.

Annual Hard Dollar Savings:

\$361K

identified from vehicle replacements addressing highest-cost offenders

\$55K

driven by improved purchase incentives offered by OFMs

\$57K

achieved through competitive rebates and incentives negotiated with the selected FMC for further cost reduction

About Treya Partners

Treya Partners has been a leading provider of procurement improvement services across the public and private sectors since 2006. Clients served include over 80+ private equity funds, 15 state governments, and multiple institutions of higher education.

treyapartners.com

Soft Savings and Operational Improvements:

Centralized system for tracking utilization, maintenance, and fuel management

Comprehensive analytics providing insights for informed go-forward fleet replacement and optimization

Improved vehicle tracking capabilities for enhanced visibility into usage and uptime

Greater transparency into total cost of ownership, enabling better budget allocation

Future-focused insights for strategic vehicle replacement planning

Streamlined maintenance management, avoiding unnecessary costs and ensuring timely routine maintenance

Reduced go-forward time commitment from TAK's internal team, allowing focus on strategic initiatives