



Significant Automotive Industry News of Particular Interest to Fleet Management Executives

 **The Fleet Spot** *This Week: Karen Healey*



Karen Healey
 Director of Product Management
 PHH Arval
karen.healey@phh.com

Karen Healey is a Director of Product Management for PHH Arval. She is responsible for managing PHH's information services and environmental products. As the leader of PHH's environmental initiatives, she has partnered with the Environmental Defense to develop the PHH GreenFleet program. Before joining PHH in 2001, Ms. Healey worked for KPMG Consulting, leading marketing efforts around the organization's supply chain services. She has a B.A. from Arizona State University and an M.A. from Georgetown University.

1. Please give us an overview of PHH's GreenFleet program and tell us how the program evolved.

PHH GreenFleet is the first climate-neutral program for vehicle fleets in North America. It's an effective and practical new way for companies to reduce fleet operating costs, decrease global warming pollution, and meet corporate environmental goals. The program helps companies actively measure, manage, reduce, and offset greenhouse gas emissions from their fleets. Program components include:

- In-depth analysis and consulting.
- Measurement and reporting.
- Advice on offsetting GHG emissions.
- Recognition of environmental leadership.

PHH has been helping clients on environmental issues since 2002. We started by developing some basic consulting advice, white papers, and simple online tools for comparing environmental performance of one vehicle to another.

Encouraged by the success and interest in these efforts, PHH Arval decided to take a proactive, leadership position in the marketplace. In 2005 we partnered with Environmental Defense to develop a more comprehensive service that helps clients measure, manage, and reduce their greenhouse case emissions from their fleets. As a final step, the service also provides assistance in offsetting the remaining emissions from the fleet.

2. What are some of the challenges fleets face as they strive to reduce greenhouse gas emissions, and how does the GreenFleet program address those challenges?

For most of our clients, they have to balance their desire to decrease their carbon footprints with other key fleet needs, such as costs, safety, job function, driver satisfaction. Determining the best vehicles for their fleet – and the environment – requires looking at ALL these criteria and finding the best solution.

For instance, most people, when they hear that we have an environmental program for our clients think that it must be about helping clients put hybrids in their fleets. Hybrids are very promising, but they are currently not cost-effective and not appropriate for many fleet situations. As part of this program we work with clients to find vehicles that are more fuel-efficient, cost neutral (or better), and fit their job requirements.

Each company is different and we work collaboratively with our clients to find new ways to move their drivers into more environmentally friendly vehicles. At its core, GreenFleet focuses on improving fleet efficiency in two ways: vehicle selection and vehicle use. The specific recommendations for a client depend on their current fleet make-up and the way they use their vehicles.

The program is specifically designed to find opportunities to improve the environmental performance of the fleet while still adhering to other fleet criteria. One of the things I like best about the program is that we work collaboratively with our clients to find new ways to move their drivers into more environmentally friendly vehicles. When driver satisfaction is important, we look for ways to creatively incent drivers to do the right thing. When job function is critical, we really dig into the specific client needs and identify opportunities to reduce vehicle load and improve overall efficiency of the fleet. Our clients are often surprised at the financial and environmental impact of making seemingly small changes to their fleet.

3. How have PHH clients responded to the PHH GreenFleet program?

We have had tremendous responses from clients in various industries including health care, financial services and telecommunications to name a few. They see this as a near-term opportunity to support larger corporate environmental goals and to give thousands of employees the opportunity to directly contribute to their company's sustainability efforts.

In addition to the environmental benefits, of course, the program has the benefit of reducing fuel costs, another major plus for our clients.