

### Why EVs may be the answer to your fleet's vehicle supply crisis

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**Electric vehicles (EVs) require a lot more semiconductor chips than similar cars that run on internal combustion engines (ICEs). Yet despite the semiconductor crisis, some EVs are less affected by delivery delays. Which ones? Why? And does that mean EVs are now the best answer to your fleet's supply problems?**

**The average delay between ordering a corporate vehicle and getting it delivered runs from 9 months up to one year. How does that vary for the different motorisations?**

As we've [explained before](#), many factors play a role in determining the delivery delay – brand, model, trim level, even the country that you're in. But factoring out all of those, and factoring in only motorisations, a peculiar picture emerges, with stark differences.

Here is the situation across Europe at the end of December (waiting times have improved somewhat since then, but the general trends are the same):

- Diesel: an average waiting time of 190 days between order and delivery.
- PHEV: 170 days.
- Petrol: 160 days.

- BEV: 78 days.

The delivery time for BEVs is remarkably shorter. Yet the amount of semiconductors required for EVs is much greater than for ICEs. Everything else being equal, you would expect BEVs to have much *longer* delivery delays than ICEs.

So, what's going on? The answer: OEMs are prioritising the manufacture of BEVs – even to the detriment of PHEVs, which have a delivery delay comparable to that of ICEs. This is because delivering a sufficient amount of BEVs will help OEMs avoid paying the expensive penalties for selling too many vehicles with too much CO<sub>2</sub> emissions – as per the CAFÉ regulations set up by the EU.

That also explains why manufacturers are not giving PHEVs the same priority as BEVs. It does *not* explain why they are also prioritising the production of e-LCVs, but the reason here is quite simple: electric vans are high in demand, and can be sold at a higher profit margin.

### **How should fleet managers factor in this stark difference in delivery times?**

Sales figures – also specifically to the corporate sector – show that PHEVs remain a popular choice across many European countries today, rivalling and often surpassing BEV sales. The reasons are well-known: there's still plenty of range-anxiety out there, now often also manifesting as *charge*-anxiety. The dual motorisation of PHEV models provides the assurance that this is not going to be an issue.

However, as most BEV drivers will attest, those anxieties are not an issue even if you're driving a full-electric. As electric driving becomes increasingly mainstream, with plenty of options to charge at home and at work, public charging is only needed in a small number of cases – and the rapid improvement in the network (with booming numbers of fast-chargers) removes any lingering issues of network density and charger access.

Consequently, the much shorter delivery times for BEVs become an additional argument for going full-electric. And indeed, we at ALD have recently seen a marked increase in demand from our customers for information about and support with the electrification of their fleets.

### **Does this mean that BEVs are the answer to vehicle delivery issues?**

No. Shorter delivery times are an added argument for BEVs, but BEVs are not the perfect answer to every fleet circumstance. ALD takes a pragmatic approach, and our advice is: one size doesn't fit all.

That's why we sit down with our customers and examine the various conditions that need to be met for electrification to work. Based on a number of factors – availability and price of EV models, availability of charging infrastructure, etcetera – we assign a maturity score to Europe's various markets. We also look at the different driver profiles that are present within the company.

The end result of our survey is a detailed picture of the TCO for each and every solution that is being considered. In many cases, that will show BEVs are the best option for a wide range of scenarios. On other cases, that may not be so.

### **So, what should fleet managers take away from this situation?**

We're at a moment where the automotive industry and the mobility ecosystem is in flux. This is a good moment to rethink your mobility strategy. At moments like these, it's easier to justify change within your organisation, and to initiate change management.

So, take the opportunity to find the best way to optimise both the sourcing and the cost of your vehicles. And take advantage of the opportunity that BEVs – and PHEVs – present. Now is the right time to electrify your fleet. And ALD is the right partner to help you with that.

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