MATTHIAS BREY DOESN’T MISS HIS COMPANY CAR; a Q7 was the last one to sit in his driveway. Today he rents Sixt vehicles, including for private use. “Sensationally good” is how the Managing Director of Kienbaum Consultants International GmbH describes his employer’s mobility option. “During the week I like to take something smaller, a Mini or an A1, while for longer trips on the weekend I’ll gladly take an E-Class,” reports Sixt unlimited user Matthias Brey. He loves his new automotive flexibility. And he finds it “extraordinary” that in 95 percent of cases, the car he wants is standing available at the Sixt station. “I really am a fan of this new mobility concept,” says the top executive. Not only does the company save money, but he as an employee enjoys several benefits. “This is the concept of the future,” claims Matthias Brey. “I’m convinced that it will become more popular.”

Sixt unlimited: Flexibility instead of dead capital

Management consultants Kienbaum are driving happily with Sixt unlimited. Sixt’s flat-rate is replacing Kienbaum’s traditional company cars and augmenting their business travel portfolio. The benefits are lower costs for the company, more flexibility, and less tax burdens for employees. But Kienbaum’s consultants may have to drop one favourite habit.

He is an example from the top of the company who shows Marco Ripplinger that he’s got things right. The Senior Controller and person appointed to manage mobility at the Gummersbach-based human resources and management consultancy introduced the Sixt unlimited product in 2014. The idea behind a flat-rate for rental cars, which in this form is unique in the car hire market, is that if you are due a car at the company’s expense, then it’s better for you to drive a hire car at a monthly rate – better in cost and in comfort, because Sixt unlimited users enjoy a series of benefits. They can rent a car at more than 600 Sixt stations in nine European countries, and use it around the clock, including for private purposes. They can choose from seven categories of vehicle – from Golf to S-Class. And they can enjoy a range of product benefits: satnav and seasonal tyres are guaranteed,
they enjoy Diamond Status, they can use VIP counters, and they can give back their rental car with an empty tank – Sixt charges for the fuel used at normal market prices. Marco Ripplinger: “Sixt unlimited includes lots of services that make the product even more attractive.”

This is how Sixt unlimited works at Kienbaum: people entitled to company cars from the management consulting unit can, as an alternative to a conventional company vehicle, opt for a Sixt unlimited card. Instead of a fixed rental car they can then effectively choose from 70,000 Sixt cars throughout Europe. Furthermore, on business trips, the Sixt product replaces all of the car-related aspects of a journey. Costs like taxis, parking, car hire and fuel are eliminated, and travelling expense accounting becomes more streamlined since fewer receipts have to be entered.

Kienbaum is one of the biggest customers to use this modern mobility product offered by Sixt. It is now enjoyed by a quarter of staff entitled to company cars at the management consulting unit. And the popularity of the limitless car hire flat-rate is growing. Ripplinger estimates that 50 percent of the target group could potentially adopt the unlimited principle. “This process represents a new form of mobility and needs time to establish itself.”

Kienbaum offers its staff a wide range of products for business mobility. As well as conventional products like the Bahn-Card and short-term car hire, they include modern concepts such as DriveNow (carsharing), chauffeur services (myDriver) and of course Sixt unlimited. “Each target group in our company has its own requirements, which is why we require a broad range of mobility services,” says Marco Ripplinger. If a consultant changes his place of work, then it may be that he doesn’t need a company car for several months. In that case the vehicle outside his house becomes dead capital. “That is not flexible,” Ripplinger adds. Not for the employee, nor in terms of cost control or planning.”

Which is why Marco Ripplinger found the new Sixt product attractive for the target group of people entitled to company cars. He believes that replacing company cars with vehicles...
Sixt unlimited is an element of our mobility portfolio which represents an attractive option for a certain target group.

Marco Ripplinger,
Senior Controller Kienbaum Consultants International GmbH

from the Sixt fleet, and providing staff with seamless mobility, has several advantages.

More flexibility for employees. They can use different vehicles for difference occasions. A smaller vehicle is suited to driving into congested city centres, a more comfortable one for long motorway trips to clients. When visiting the more traditional customer you use a Passat, but to turn up to an advertising agency you drive a Fiat 500. And for a weekend in the mountains, consultants can take vehicles with a fun factor. In fact you get the opportunity to drive and try out different vehicles at different times.

Consultants regularly change their places of work. With a conventional company car they are not flexible; the car may stand unused at their residence for long periods of time. Sixt unlimited circumvents this cost factor.

Time is money, especially in the consulting industry. Marco Ripplinger appreciates the fact that many things are made easier for Sixt unlimited users. Service and repair visits are not necessary, maintenance you don’t have to take care of, the car rental company cleans the vehicles, and users don’t even have to fill them up with fuel. In principle, employees can give back their cars as soon as they get dirty, and pick up clean ones.

Employees enjoy tax benefits with Six unlimited. As with a company car, they have to subject private vehicle use to a one-percent tax, but with Six unlimited the non-cash benefit is calculated separately according to the days actually driven. Previously, Matthias Brey had to have the non-cash benefit of a Q7 taxed for a full 365 days, whereas now this rate only applies to the days on which he drives a vehicle in that category. Sixt also modified its unlimited product on the suggestion of Kienbaum so that employees can book vehicles which are smaller than the ones that they are actually entitled to. By downsizing like this, employees can reduce their tax burden even more. If for instance you use a Golf instead of a 5 Series BMW, then you will have only half the private portion slapped onto your income. Furthermore, if you don’t drive a rental car for a calendar month, there will be no non-cash benefit to tax during that time.

Sixt provides a precise basis for calculating the private share applicable to each member of staff. This includes gross list price, rental periods and all other relevant information, says Marco Ripplinger enthusiastically. It takes him just 45-60 minutes each month to prepare the file he receives from Pullach and convert it into a report for his own payroll department. At the end of this he has just one single figure – the non-cash benefit which has to be taxed for each month and for each employee. Ripplinger developed a system together with his payroll department and the tax office which depicts the use of cars over the month. “This way we get very close to actual usage, our payroll people don’t
have to do any back-calculations, and we meet the requirements of the tax office.”

For Kienbaum’s mobility management, this new company car principle includes the big advantage that you can calculate costs thanks to a flat-rate fee paid in advance. “We now know what we’re looking at.” From their viewpoint as an employer, he adds, they also know that the company car is not being used for free by family members while the employee travels on business at the company’s expense.

Sixt unlimited is offered to all Kienbaum staff who are entitled to company cars. It is also used to bridge periods during which conventional company cars are being ordered (pre-leasing), for staff in their trial periods, and for new consultants who still have to earn their merits.

New concepts need new thinking. Ripplinger admits that Sixt unlimited has been taken up mainly by employees who represent what is referred to as the ‘new world of working’: young, mobile, with families, not especially tied to one place. To them a car is a means of getting around and not a status symbol. They are concerned about function and they don’t mind not making themselves at home in a company car. Of course you cannot leave personal things lying around in a Sixt unlimited car, admits Ripplinger, but that’s not really recommended in a conventional rented car or a taxi either. And if you travel part of the way by air, then you have to connect your mobile phone to a new rental car each time anyway. Then of course, you can no longer download your music collection onto your new company car’s hard drive, but nowadays people carry their music collections around with them anyway, so there aren’t any real problems. To many people a company car is just a tool for work, and to them Sixt unlimited is the ideal product, says Ripplinger. “Generations change, mobility changes.” And nobody is stopping anyone from expressing their personality with a car. Most unlimited users have a private vehicle at home anyway, one which complies entirely with their particular personal preferences.

Managing Director Matthias Brey is aware that there is a mental hurdle to cross before embracing the new process, but if you understand a car as a means of transport then there is nothing better, he says. “None of the people who have switched over are complaining.” He points out that the flat-rate principle is especially appealing to car enthusiasts, because if you move down a category or two during the week, then you can treat yourself to the top category over the weekend.

Kienbaum helped Sixt to adapt its product. Downsizing your choice of car was a Kienbaum idea and was incorporated into the standard product by Sixt. In order to avoid debates about the handling of damage, Sixt and Kienbaum have introduced a zero excess policy. “It takes the wind out of the sails of the damages issue,” says Marco Ripplinger.

Kienbaum’s summary: Sixt unlimited is an element of their mobility portfolio which represents an attractive option for a certain target group. Ripplinger therefore advises his colleagues at other company’s mobility management departments to investigate the product for their own companies and do the maths. The figures are transparent and allow you to perform a realistic assessment of cost-to-benefit. “For us,” he summarises, “it pays off.”