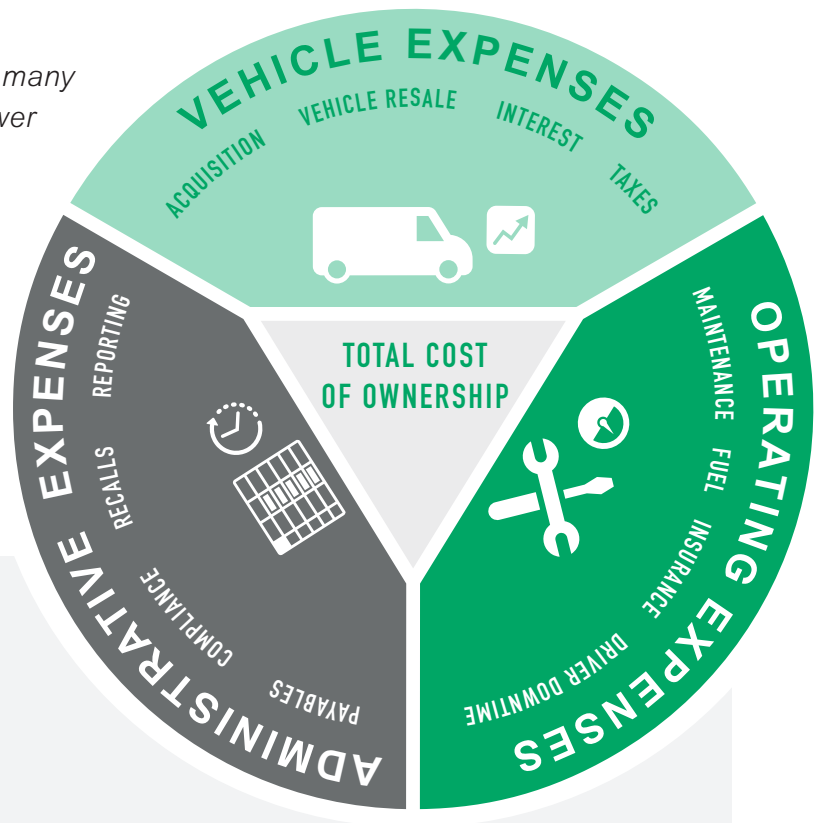


The Importance of Fleet Management to a Company's Bottom Line

Outsourcing vehicles can offer companies many advantages, including better cash flow, fewer administrative headaches, and a better public image.

The "Importance of Fleet Management to a Company's Bottom Line" offers you the foundation to determine when it's a good business decision for your clients to outsource fleet management vs. managing it internally.



There are three main aspects of fleet management that will determine whether or not it is beneficial to outsource:

VEHICLE EXPENSES:

- How many vehicles does the company need to operate?
- Is an additional source of capital important to the business?
- Is it difficult to dispose of vehicles during a business downturn?
- Is the business equipped to analyze the new products that enter the market (i.e., Hybrids, compressed natural gas, electric, etc.)?

OPERATING EXPENSES:

- Does someone with automotive experience approve all company vehicle maintenance and repair expenditures?
- What mileage intervals are all vehicles being serviced?
- Are maintenance expenses tracked on a vehicle-by-vehicle basis?
- Is vehicle downtime a significant detriment to the business?
- Does the company own any idle vehicles?

ADMINISTRATIVE EXPENSES:

- What is the total annual spend for Total Cost of Ownership?
- Is there a strategy in place if fuel prices rise significantly or used car prices drop drastically?
- Have all vehicle manufacturers and class options been evaluated specific to the organization's needs?
- Are there any plans or expectations specific to driver safety?
- Is the administrative time and effort being spent to manage the fleet an appropriate use of business resources?

Consider an existing client with a fleet of vehicles and ask the following questions.

If the answers are not easily obtainable, the owner should consider outsourcing so that the fleet is professionally managed in all aspects from purchase to resale.