

Are You Effectively Managing Your Transportation Costs?

Most companies are spending more than they should when leasing, or purchasing vehicles.

There are a number of reasons that drive up the cost of transportation, here is a list of just a few:

1. Poor planning - An annual plan for replacing vehicles is lacking or not adhered to. This lack of planning often requires the vehicle to be purchased from an automotive dealership's retail inventory, as opposed to a factory order that includes all available fleet and commercial incentives. This type of reactionary purchase often results in spending more than researching all available options and ordering a vehicle in advance.

2. Paying more than you should - The vehicle lease or purchase is often administered by an employee who may not be knowledgeable of all available commercial incentives. They often acquire the vehicle from the "retail" side of a dealership rather than the "wholesale" department.

3. Conflicts of interest - The drivers are sometimes assigned the responsibility of negotiating the lease or purchase of their vehicle. This is not a good use of their time (they will often spend 2-3 weeks shopping for cars instead of doing their job). The vehicle will generally be more expensive and have more options than was planned for.

4. Improperly structured leases - Allowing your drivers to go out and lease a vehicle to fit a budget amount spells DANGER. Shoehorning your commercial needs into a consumer lease is also dangerous. Many organizations find themselves committed to leases that were not structured properly to fit their actual usage, resulting in large expenses at the end of the lease.

Ewald Fleet Solutions assists many companies by working with their people, understanding their needs, and developing a program that will provide the best vehicles for the lowest possible price. When provided the opportunity to perform an analysis, we have been successful at reducing vehicle expenses by thousands of dollars. If you are not currently taking advantage of all of our services, call us today to schedule an appointment.

