

Company Cars in Wisconsin: This One Trick Could Save Thousands

Company vehicles are often one of the top expenses in a company, but are often overlooked as a way to reduce expenses and improve your bottom line. With a few different options for acquiring and paying for a vehicle, companies should always compare the different finance methods to evaluate the total cost for each vehicle added to their company fleet.



What is that One Trick?

Businesses that lease their vehicles generally save thousands of dollars. Leasing vehicles not only combines the flexibility of ownership with the cash flow and tax benefits of leasing; it also often provides a lower monthly payment as opposed to financing! Leasing also offers a planned monthly expense as opposed to an upfront payment for the purchase of a vehicle.

Cost Savings through Leasing

1. Leasing allows for better planning of vehicle replacements, resulting in time and cost savings over knee-jerk purchases due to a vehicle no longer being operable. Planning vehicle replacements normally allows time to factory order the vehicle resulting in the lowest price acquisition.
2. Leasing takes into consideration the total cost of a vehicle including acquisition, fuel, maintenance, and future resale values. Purchasing takes into consideration the purchase price of a vehicle, and oftentimes a total cost of ownership calculation is neglected, leading to higher costs in the long-run.
3. The higher upfront capital expenditure of purchasing a vehicle, sometimes results in a decision being delayed. A vehicle being operated past its normal optimal cycling point, results in excessive and avoidable maintenance costs, and a diminished trade-in value. Companies may spend thousands of dollars to keep a vehicle running that should have been replaced. A leasing program incorporates a strategy for vehicle acquisition, management, and life cycling. As a monthly expense, a leasing program creates a simplified process for replacing vehicles and approvals are obtained before operating expenses begin to rise.

Additional benefits of Leasing

1. Simplify record keeping for tax purposes, budgeting, and cost controls
2. Frees up capital for more profitable use
3. Enhanced company image

A leasing program with fuel and maintenance tracking will expose any preventable expenses and will allow you to make more informed decisions regarding your company vehicles. The final result could save your company thousands of dollars in vehicle costs!

If you would like to see how much leasing your vehicles could save your company, contact Ewald Fleet Solutions today!