A Publication of Ewald Fleet Solutions



### The Road Ahead Just Got Easier.

# Are you taking advantage of ALL available opportunities?

There has been an abundance of fleet management articles published recently, promoting a variety of cost saving strategies. Sorting through the recommendations and determining which ones may be worthwhile to explore further, may appear to be a daunting task but the rewards can be significant and the cost savings are real. Many cost savings strategies are the same regardless of the size fleet you may be operating.

Note to reader...Working with a fleet management company, such as Ewald Fleet Solutions, makes the process a whole lot easier. Fleet management services can be tailored to meet the needs of any business operating any number of vehicles.

What are the fleet management services you could be taking advantage of that could lead to lowering your costs? For those of you that are already working with a fleet management company, is your current provider presenting you with innovative recommendations allowing you to take advantage of all the available opportunities?

Vehicle Management – Whether you rent, purchase, lease, or even dispose of one of your fleet vehicles, using a fleet management service will provide you with access to reduced prices and greater options as well as guidance and advice.

Vehicle Tracking – Vehicle tracking allows you to keep an eye on your fleet and enables you to make critical fleet decisions within an instant. Tracking systems can also be used to run reports and benchmark your costs.

Fuel Management – With fuel being your second greatest expense (after depreciation), monitoring and tracking fuel purchases is essential. Fleet fuel cards allow your drivers to fill up at nearly every station nationwide and provides you with the ability to monitor and track all purchases.

Leasing – Cuts the cost of owning a vehicle fleet, and provides you with a very affordable option that reduces the impact on your annual budget.

Administration – A fleet management company can relieve the volume of paperwork generated by an active fleet, freeing up your in-house administrative team.

Sometimes a cost saving opportunity is closer than you think. Call Ewald Fleet Solutions today to help you to identify a potential cost savings opportunity that you can take advantage of.

Quarter 3 | 2012

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## It is time for your annual check-up!

The third quarter is the prime time for an annual fleet review, and to start the process of developing a fleet plan for 2013.

Ewald Fleet Solutions would like the opportunity to demonstrate the benefits of our local based account team in assisting you with your fleet plan.



Fuel mileage improvements, new incentives, and technology will all be important factors to consider during the vehicle selection and fleet planning process. Vehicles that have been extended in service should be carefully reviewed, monitoring maintenance costs and market values.

To schedule your annual fleet review, contact Ewald Fleet Solutions today!

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### Incentives at Some of the Highest Rates in Seven Years

Auto manufacturers upped incentives, just one month after spending hit its lowest level in almost seven years, reports Edmunds. com. According to Edmunds.com's True Cost of Incentives, the auto industry spend has recently risen to \$2,135 per vehicle, up



3.9 percent from recent months, and up 0.6 percent from the same time last year.

There will be bigger discounts available on 2012 models through the summer to help dealers clear the way for incoming 2013 models.

### Average True Costs of Incentives by Manufacturer

Manufacturer	May-12	May 2011 vs. May 2012
Chrysler	\$2,567	7.0%
Ford	\$2,594	4.8%
GM	\$3,417	5.3%
Honda	\$1,207	22.8%
Nissan	\$2,260	1.8%
Toyota	\$1,458	16.6%
Industry	\$2,135	.06%

Edmunds.com's monthly True Cost of Incentives report takes into account all automakers. To ensure the greatest possible accuracy, calculations are based on sales volume, as well as on the proportion of vehicles for which each type of incentive was used.

### Resale Basics 101

In a perfect world, a vehicle's value would remain the same throughout its service life, despite its actual condition when it comes time for replacement. In reality, however, ensuring units retain a percentage value of their original worth is just another aspect to monitor.

The higher the resale value you can achieve in the marketplace, the more of your original investment you can retain. Increasing the resale value of a vehicle is not difficult, but it does take some work. Here are some basic principles that should help get the highest resale value for fleet units.

### Keep Up Appearances

In an industry where vehicles often function as "rolling billboards" and mobile offices, appearances matter when it comes to remarketing a vehicle. Values will also be better for vehicles that are closer to what dealers refer to as "front-line ready".

Proper vehicle maintenance entails several aspects including, cleanliness and wear and tear. All drivers utilizing the vehicle should operate it with the notion that it is their responsibility to keep it in good condition. An old, beat-up unit is not likely to be well-received by a potential buyer. Pushing vehicles past their ideal limits should be avoided, if possible.

### Get with the Times

Fleets should take advantage of the times, both in terms of season and in regard to current advances in technology. Choosing the proper time of year to purchase new units and remarket used units can help increase resale

An open-end lease can provide several benefits as well. With the strong resale market, many customers are in a good equity position in the final year of the lease term. This can assist them in offsetting other fleet costs, such as fuel. It also presents an opportunity to move into a new vehicle sooner, reducing maintenance costs.

### Choices, Choices, Choices

Once a vehicle has served the purposes of your business, it moves on to the next opportunity. Choosing the right equipment and options for the size, class, and vehicle use, does play a part. When choosing fleet vehicle colors, fleet managers must take into consideration that certain colors may be good for small- or mid-size vehicles and not appropriate for a full-size or executive vehicle.

### Summer Travel Outlook 'On Solid Footing'

According to the U.S. Travel Association's quarterly report "travelhorizons", business travel is also expected to improve slightly in the next six months, with 17% of U.S. adults planning at least one business trip between May and October. Business travelers took an average of 6.3 trips in the past 12 months, which is the highest average number in the past five years.

Mayfair Rent-A-Car is prepared with a large selection of vehicles from compact to luxury sedans, minivans, 8, 12, & 15 passenger vans, SUVs, suburbans, pick-up trucks



and cargo vans. The Corporate Rental Program through Mayfair can save clients up to and over 50% compared to reimbursement; and has the added benefits of discounted rates over retail, unlimited miles, and free additional drivers.

To take advantage of the cost savings and added benefits of the Corporate Rental Program, please contact Kyle Teig, Account Executive at Mayfair Rent-A-Car at kteig@mayfairrentacar.com or 262-754-3515 for more information.

### Key Metrics to Optimize Fleet Efficiency

Fleet managers use metrics, whether they know it or not, every day. Metrics help managers know where they stand. They measure performance, provide benchmarks, and offer goals and targets at which the day-to-day and strategic activities of the fleet function can aim. Here are some key metrics to achieve optimum efficiency with your fleet.

### What Are Metrics?

Consider the following questions:

- What are you doing?
- How well are you doing it?
- How do you know how well you are doing it?
- How can you demonstrate to others how well you are doing it?

### Depreciation

The fact remains that depreciation is still the single largest fixed cost in every fleet. Fleet managers should be compelled to track a depreciation metric when looking to optimize efficiency.

The question is, what metric should you use? Gross dollars per month? Cents per mile? There is no single right answer.

The key is to establish a benchmark, then track performance going forward. The benchmark can be from the current point forward or it can be used to establish historical metrics and track trends.

Also important is that real depreciation is used, which means that the expense cannot be enumerated until the vehicle has been sold.

#### Fuel

Fuel, a variable cost, is equivalent to depreciation, a fixed cost. By far the largest variable cost, fuel has been of particular interest in recent years. Unlike depreciation, however, fuel costs can (and should) be tracked from the first day of service.

Fuel cost calculation should be the cost/use ratio of cents per mile, supplemented by the fuel-efficiency measure miles per gallon.

Miles per gallon is a measure most useful in measuring the relative fuel efficiency of various models. It does not involve cost, since the pump price of fuel can vary dramatically in a relatively short period of time. Cents per mile is a direct measure of fleet efficiency, since it relates direct cost to use.

#### Lifecycle Cost

Any experienced fleet manager will tell you that the single most important cost metric is lifecycle cost. This encompasses the entire spectrum of both fixed and variable costs, and is expressed in the classic cost/use ratio of cents per mile.

Although lifecycle costs cannot ultimately be determined until after a vehicle is sold, the same metric should be tracked throughout the vehicle's life in service. The only variable is depreciation which, during the vehicle's service life, can be calculated using either accounting depreciation or the lease depreciation reserve.

When the sale is completed, any "gain/loss" from the sale versus remaining book value is simply deducted from the total cost, and the final lifecycle cost established.

Source: Automotive Fleet (May 2012)

### Vehicles With Highest Fuel-Economy Gains Between 2008 and 2012

A new report from Edmunds.com shows the brands and vehicles that achieved the largest fuel-economy gains, on a percentage basis, between 2008 and 2012.

New car registration data shows that the nationwide marketshare of four-cylinder vehicles has risen to 44.4% as of December 2011, up from 36.7% in 2008. The overall increase in fuel economy for the auto industry during that period is 16.4%, according to Edmunds.

The chart below shows a list of the brands that have achieved significant fuel-economy gains by make, model, and mpg, based on model-year.

### Top Vehicles with Biggest Jumps in Fuel Economy

Make	Model	2012 MPG	2008 MPG	MPG Improvement
Audi	A3	29.1	21.0	38.5%
Chevy	Equinox	25.1	19.0	32.0%
Kia	Sorento	22.2	17.0	30.4%
Ford	Explorer	19.5	15.4	27.0%
Hyundai	Sonata	22.2	17.0	30.4%
Buick	LaCrossse	26.0	20.9	24.1%
Industry		24.5	21.0	16.4%

Even a small improvement in fuel mileage can mean huge savings when applied across your entire fleet. To see what kind of an impact this can have on your fleet, check out our fuel savings calculator, available on our website.

You can find the fuel savings calculator link on the left-side navigation on the fleet management page.

Simply by entering the current fuel price, average miles driven per year, number of vehicles in your fleet, current MPG, and proposed MPG; a monthly and yearly savings will be calculated to illustrate the savings provided by an improved MPG.



## Know someone looking for a great used vehicle?

If you or a family member, friend, or co-worker are in the market for a used vehicle, let us assist you!

Ewald Fleet Solutions will work to find the vehicle you are looking for, at a discounted price, and with less hassle than going into a dealership.



The first step in making your next used vehicle purchase more enjoyable is to contact Ewald Fleet Solutions!

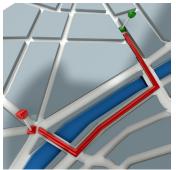
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THE LINES

### **Discover The Future Of Managing Your Fleet**

BETWEEN



In today's world, having information at your fingertips has become customary, and in the business world, increasingly valuable. In conjunction with the Network maintenance program, the newly added Network Telematics program is our solution to putting integral fleet data at your fingertips – empowering you to make sound business decisions and accelerate your fleet operations.

Enhancing customer service levels, optimizing fleet utilization and minimizing operating costs are among your top priorities. With Telematics from Network, you can get there.

By integrating wireless communications, vehicle monitoring systems and location devices into one innovative offering, you can now gain valuable insight into your fleet. Telematics offers the latest technology solutions that make it easier for your fleet department to stay

ahead of growing customer demand and achieve the results you need.

Our experts will help identify your challenges and build a strategy tailored to your specific goals and objectives. And, you'll gain powerful analysis capabilities utilizing data gathered through Telematics. With robust information like this, you'll empower your organization to make the most educated business decisions.

With Telematics at work in your fleet, you can proactively identify maintenance issues, minimize risk and comply with your organization's green initiatives. Additionally, when you implement a sound telematics program, you'll ultimately create efficiencies, improve service delivery, lower fuel consumption, drive down cost and maximize your drivers' safety. How could anyone deny wanting benefits like that?

Make the potential of telematics your own reality. For more information on how you can build your organization's customized telematics program, contact Ewald Fleet Solutions at (262) 513-3300.

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