

TRANSPARENCY

A SELDOM SEEN QUALITY IN FLEET MANAGEMENT

Getting the right Fleet Management
Procurement advice for your business



Contracting for Convenience

Contract hire as a means of acquiring vehicles has long been recognised as simple and attractive by both large and small fleet operators.

The certainty of a fixed monthly rental makes it easy to budget and a full vehicle management service takes away most of the risks and unforeseen costs of running a fleet. This makes it a compelling proposition. In fact, contract hire has become the preferred option - overtaking other types of funding which have, in the past, often been centred on owning vehicles.

In an era that has seen a reduction in the number of specialist Fleet Managers, the responsibility is often passed to inexperienced staff who don't have vehicle experience or expertise.

There is a dangerous perception that contract hire arrangements are simple and this perceived reduction in complexity means little or no training is given and it's often an add-on to existing responsibilities.

All is not as it seems ...

However, what appears to be simple on the surface is far more complex when you start to scratch away and reveal what's involved.

The complexity of constructing a vehicle, contract hire, rental coupled with lack of transparency from brokers and vehicle leasing companies make it difficult to be sure that you are achieving the optimum price, product and service.

A typical quotation would simply give the monthly rental, normally splitting the service and finance elements, along with the contract parameters (period and mileage) and the payment profile, i.e. the amount of deposit required and if applicable when any rental pause period occurs.





The missing piece of the picture

The constituent parts of a rental calculation requiring evaluation are many and varied, including the discounted price, the cost of maintenance, cost of tyres, future residual value projection and inherent interest rate.

Add to this the fact that actual usage is often unpredictable and may differ greatly to the terms of a rental contract and it's easy to see that brokers and leasing companies have plenty of opportunities to make windfall profits. Even from long-standing loyal customers never mind new or unsuspecting ones.



An Enlightened Approach

Our Fleet specialists have the knowledge and experience to create the transparency and provide the expertise you need, so that you are satisfied that you are getting the optimum value from your existing or prospective vehicle providers.

Savings potential will be dictated by your fleet size, with benefits ranging from specifically negotiated purchasing terms with manufacturers and dealers, through to fully transparent profit share arrangements.



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