

## 5 Reasons You're Spending Too Much on Vehicle Expenses

We regularly encounter businesses that show little if any interest with addressing their vehicle expenses. It could be that they are working on other things that they perceive as having greater importance. It could be that they are comfortable with how they are currently managing vehicle expenses. I suppose that it could also be that they just don't care.



Do you really need to better manage vehicle expenses? I think so, and for the following reasons.

For example purposes let's base these figures on a 10 vehicle fleet, each driving 25,000 miles per year. You can do the multiplier (or divider) to adjust these costs to your actual fleet size.

- » At today's prices, a 10 vehicle fleet adds up to be a collective asset of **\$250,000 to \$300,000**. Definitely worth your time to monitor closely.
- » Acquiring vehicles for a 10 vehicle fleet without sufficient planning or needs analysis could be costing you as much as **\$25,000** in one complete fleet replacement cycle.
- » Annual fuel purchases on average for a 10 vehicle fleet of sedans are about **\$40,000**. If you operate cargo vans or pickups, this could double to **\$80,000** annually.
- » Annual maintenance and repair costs on a fleet of 10 vehicles would average around **\$12,500**. Again higher if you are operating trucks or if you keep your vehicles in service longer.
- » A fleet of 10 vehicles could be costing you **\$200,000 to \$300,000** more than necessary for not having an adequate life cycling plan over one complete fleet replacement cycle.

In summary, a 10 vehicle fleet which is easily a **\$250,000** asset and costing you **\$52,500** annually for maintenance and fuel, and could be costing you an additional and unnecessary **\$225,000** over one replacement cycle without proper planning.

So, do you really need to better manage vehicle expenses at your business?

Or, if you are not aware of your annual vehicle expenses in all of these areas, should you be?

Ewald Fleet Solutions can manage all of these cost areas for you, reduce your costs, allow you to monitor and track expenses, while outsourcing the majority of the administrative time to us. It may be worth your time to schedule a meeting with us.