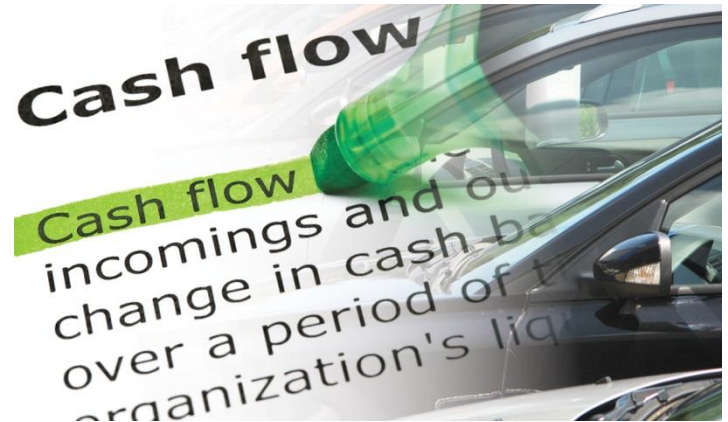


How Effective Fleet Management Will Improve Cash Flow

For many organizations and businesses, strong cash flow can be the difference between success and failure, which is why it's important to closely monitor operations and determine ways to improve cash flow.

A fleet of vehicles may represent one of their largest costs. In addition to requiring a significant amount of money upfront, a fleet of vehicles takes a lot of time and resources to manage. Therefore, controlling the costs of owning and running a commercial fleet should be a focus for businesses, which can start by researching and analyzing some of the different alternatives for acquiring fleet vehicles. Outsourcing fleet management can ultimately result in a reduction in operating costs. And by leasing vehicles, which are depreciating assets, you can free up cash flow to be utilized in areas that may increase your organization's ROI.



Fleet leasing can be used as an additional source of capital by establishing a separate line of credit with the fleet management company to acquire vehicles, freeing up current lines of credit. Leasing, which requires a smaller capital expenditure upfront, also allows businesses more funds to invest in their day-to-day operations, which is still important in this economic environment.

In addition to initial cash flow savings, the outsourcing of fleet management activities to a fleet management company can provide businesses with improved cash flow over the life of a vehicle. Outsourcing fleet management can help companies gain operational efficiencies, saving on both the hard and soft costs associated with the administration of fleet purchases, such as the amount of time spent on acquiring and disposing of vehicles, managing maintenance appointments, invoices, vehicle insurance, and vehicle registration. A fleet management company will monitor and ensure regular service checks and help guarantee the most economical, timely, and high-quality repairs for fleet vehicles, including arranging maximum warranty benefits, rebates, price breaks, and other opportunities to minimize expenses.

Outsourcing fleet management and maintenance frees up you and your staff to focus on your organization's core business functions. You can redirect personnel and financial resources from non-core activities to your organization's core business. You can also take advantage of a fleet management company's purchasing power to achieve fleet maintenance group purchasing discounts for vehicles and parts procurement. And, your overall costs may be reduced by paying only for the portion of the asset you intend to use.

In today's current economic climate, businesses, government agencies, municipalities, and private organizations are under increased pressure to cut costs. Outsourcing non-core business functions, such as fleet management and fleet maintenance operations, are ways that numerous organizations are achieving short and long-term cost efficiencies.