

# Understanding Vehicle Operating Costs

The components that make up the total cost of ownership (TCO) of a vehicle ultimately affect each other. Reduce your TCO by selecting vehicles with the highest resale value, and the lowest fuel and maintenance costs. Then, look at the other areas for possible cost-saving opportunities.

**Maintenance & Repair** costs only make up 7-9% of TCO but can have a measurable impact. Create a preventive maintenance schedule to avoid expensive repairs later!

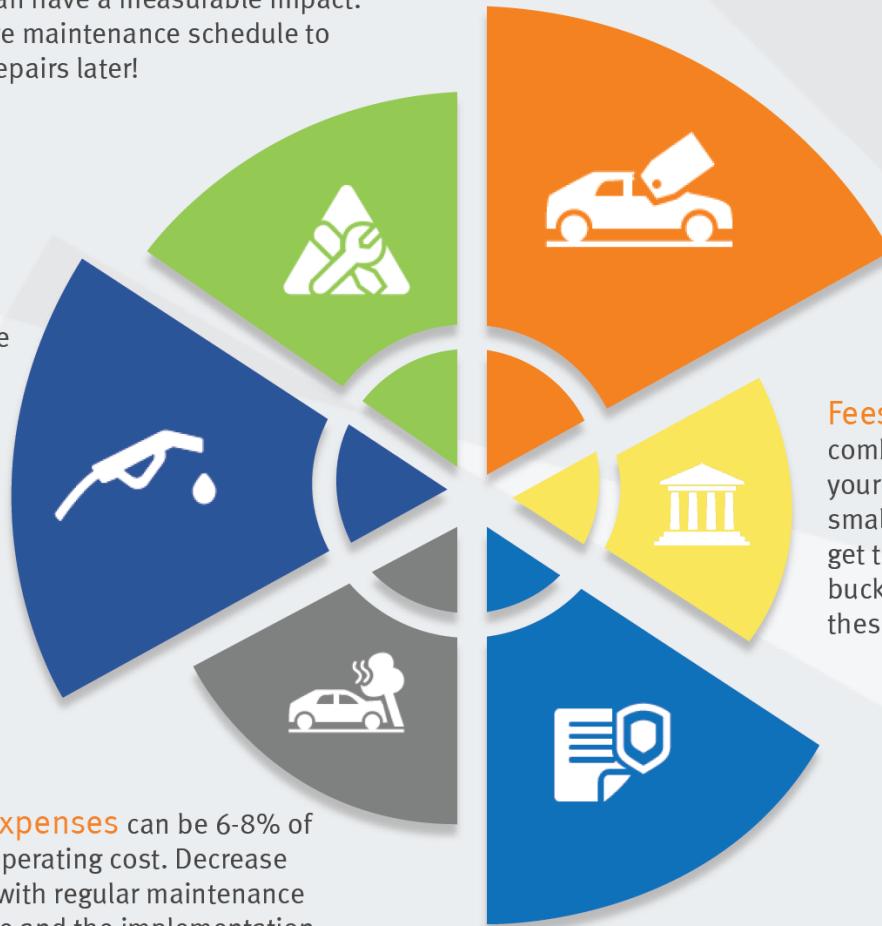
**Fuel** can be 32-44% of a vehicle's total cost. Reduce your fuel costs by utilizing a smaller engine when possible and cost-control measures that a managed program can provide.

**Accident Expenses** can be 6-8% of a vehicle's operating cost. Decrease these costs with regular maintenance of the vehicle and the implementation of a driver training program.

**Depreciation** accounts for 28-38% of the total cost of a vehicle. To reduce TCO, evaluate your fleet to make sure you are using the right vehicle for the specific job application and replacing vehicles at the optimal time.

**Fees, Taxes & Interest** combined make up 4-6% of your TCO. Because these are smaller portions, you won't get the "biggest bang for your buck" if you only focus on these areas.

**Insurance** is often left out of a vehicle's cost calculation, but it accounts for 8-10% of your total cost. Even if it is handled by another department other than fleet, it is still an essential element of TCO.



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Need help reducing your fleet's operating costs? Call a LeasePlan expert today at 1-855-588-3677, or visit us online at [www.leaseplan.ca](http://www.leaseplan.ca).