

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!

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.

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.

Fees, Taxes & Interest

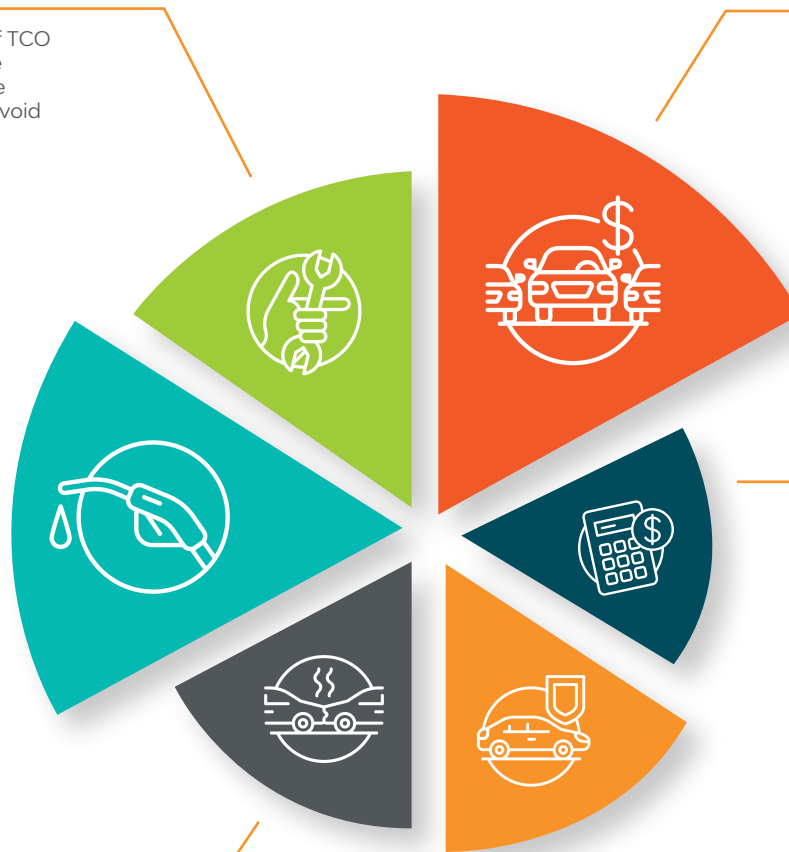
combined make up **4-6%** of your TCO. Because these are smaller portions, you won't get the "biggest bang for your buck" if you only focus on these areas.

Accident Expenses

can be **6-8%** of a vehicle's operating costs if an accident occurs. Reduce the risk and frequency of accidents with the review and update to your driver policy and the implementation of safety programs, such as driver training.

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.



Need help reducing your fleet's operating costs?

Call a LeasePlan expert today at 800-951-9024, or visit us online at www.us.leaseplan.com.