

FULL MAINTENANCE PROGRAM AIDS COST CONTROL

Often the target of corporate cost-paring measures in tough economic times, fleet maintenance expense can be managed with a program offering fixed costs and predictable budgets.

BY CINDY BRAUER

Managing fleet maintenance expense, particularly in these tough economic times, can present unwelcome challenges. Diverse or aging fleets pose additional difficulties in controlling maintenance and repair costs.

Lately, as fleet budgets become growing targets for cost slashing, industry observers point to increasing trends in extending vehicle lifecycles and lengthening preventive maintenance (PM) intervals. While these cost-paring measures may seem simple and effective in the short-term, they can lead to greater expense in the future.

Regular maintenance on fleet vehicles can prevent untimely breakdowns, minimize vehicle downtime, and control fleet expenses — three crucial aspects that contribute to cost-efficient fleet operations. For example, a 2009 industry study indicated 53 percent of responding fleets incurred a major repair bill due to missed PM work.

Options are available, however, to help manage this fleet cost category. Managed maintenance programs, for example, can help control expenses while relieving the administrative burdens of reviewing repairs and costs. In addition, with these flexible programs, fleets pay

only for the services they choose.

Merchants Leasing offers fleets another option that provides more cost predictability: a full maintenance program.

Program Provides Full Maintenance Cost Predictability

Merchants Leasing has offered a full maintenance program for more than 40 years, according to Robert Singer, vice president and principal.

“The nationwide program provides all maintenance services a fleet requires, including scheduled service, emergency repairs, mechanical failures, fleet reports, and more — all for one fixed monthly fee,” Singer explained.

“With our full maintenance product, whatever goes wrong mechanically with the vehicle is Merchants’ responsibility, where tires and glass replacement are not included. A customer never gets a bill, never cuts a purchase order, and never has to reimburse drivers,” said Singer. “From day one, when a company executes a lease, they know what the costs are for the life of the lease.”

Full coverage means everything from an oil change, tune-

up, or front-end alignment to wiper blades, brakes, muffler, and exhaust servicing. When a fleet driver visits a service shop, the vendor calls Merchants Leasing and is issued a purchase order. Merchants is billed, while the driver is “off and on his or her way,” said Singer.

Monthly Fee Mitigates Risk & Reduces Administrative Tasks

With all services covered for a single, fixed monthly charge, the risk of unbudgeted maintenance and repair expense is mitigated, Singer noted. Maintenance costs can be predicted and anticipated for the life of the vehicle lease.

The program also eases fleet managers’ administrative and accounts payable tasks, and its nationwide repair network helps keep vehicle downtime to a minimum, Singer added.

Detailed recordkeeping and maintenance history reporting can be provided for critical cost trending and benchmarking.

Summarizing the program’s benefits, Singer said, “We provide customized full maintenance solutions that allow you to enjoy a truly fixed-cost operation, while also providing your drivers with the services that they need.”



SINGER