

SHORT-TERM LEASING LEAVES A LASTING IMPRESSION

Short-term leasing is one option for fleets that need more flexibility and services than are provided by a rental company. [By Grace L. Suizo](#)

The ability to stay flexible is familiar territory for fleet professionals constantly directed to do more with less. In this economic climate, it is more important than ever for fleet managers to adapt to leaner budgets and resources and run operations as efficiently and cost-effectively as possible.

While many fleets take the leasing route, not all intend to keep vehicles long-term. Since continuing to pay for underutilized vehicles is an unnecessary expense, many companies requiring fleet vehicles on a temporary basis opt instead for renting. Although a reasonable solution for a short-term need, rental companies can charge hefty

fees and often don't provide additional services offered by leasing companies. For fleets looking for flexibility, an affordable compromise is available. Short-term vehicle leasing is one option fleets can explore.

Waste Not, Want Not

According to a recent survey of corporate and government fleet managers, 27 percent of respondents need vehicles to fulfill short-term needs such as special events, seasonal activities, and contract of project fulfillment. Forty-eight percent said they rented units for these purposes.

Short-term leasing offers several benefits to fleets of all sizes, including:

■ **Flexibility.** Lease terms can last as little as two months or as long as 12.

■ **Cost savings.** Short-term leasing allows fleets to fulfill their vehicle needs without incurring capital expenses for vehicles that eventually will be underutilized. As fleets need fill-in vehicles, they can keep utilization up and costs down, while meeting all their fleet needs. Fleets can also build on the momentum of their leasing investment through buyout options and purchase credit programs.

■ **Right-sized fleet.** Any fleet with temporary seasonal vehicle needs can accommodate those needs through short-term leasing, allowing the fleet to expand and contract strategically based on demand rather than overload on unnecessary vehicles.

■ **Useful services.** Fleet maintenance and special equipment or upfitting are additional services provided by leasing companies, typically not available from rental companies.

A wide variety of fleets have benefited from short-term leasing, including those belonging to corporations, nonprofit organizations, government

AT A GLANCE

Short-term leasing offers fleets several benefits, including:

- Flexibility in length of contract, ranging from two to 12 months.
- Cost savings compared with leasing or renting vehicles for temporary fleet needs.
- Maintenance and equipment services.



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agencies, and companies in the entertainment and tourism industries.

Discovering Flexibility

According to Merchants Leasing, a fleet leasing and management company, short-term leasing is designed to offer fleets flexibility.

Merchants offers short-term leasing as a solution to both commercial and fleet accounts that often need vehicles for the short-term.

Clients include:

- Government fleets.
- Nonprofit agencies.
- Summer camps.
- Ski resorts.
- Colleges/universities.
- Corporate fleets.
- Engineering, construction, and consulting firms.

Specific short-term lease applications include:

- Project-oriented and contract businesses, such as construction and

infrastructure development.

- Seasonal needs.
- Fleet fill-ins and expansion.
- Event fundraising.
- Campaign transportation.
- Expatriate employees working in the U.S. for one to two years.
- National defense contractors awarded projects for lengths of six months to one year.

Merchants Leasing customized programs have been used by engineering, construction, and consulting firms across the U.S., according to John Cail, director of Short Term Solution at Merchants Leasing.

Providing fleets an alternative to a long-term commitment or capital investment is a key benefit of short-term leasing.

“Why own the vehicle when you know the project or need will end soon?” asked Cail.



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Finding the Right Program

A good short-term leasing program should provide flexibility in its terms. Fleet managers should look for the following in their leasing company:

- **Duration.** Leasing terms should provide options lasting as little as two months to as long as 12 months.
- **Quantity.** No limitations should be placed on the number of vehicles leased at a time.
- **Variable mileage.** Pricing should be based on mileage needs, whether high or low.

■ **Vehicle variety.** No limitations should be placed on the type of vehicles that can be leased, whether domestic or foreign, cars, trucks, or SUVs.

Some leasing companies also offer short-term leases for multipassenger vans and buses, providing even greater benefits than more expensive traditional group transportation vehicles such as charter buses.

Some leasing companies also offer upfitting solutions.

■ **Nationwide network.** A leasing company should have a nationwide network of dealers to minimize delivery time.

■ **Experienced staff.** The short-term leasing company staff should be able to help formulate a customized option that fits a fleet’s needs and budget.

■ **Maintenance and insurance options.** An array of services should be available. Merchants

Leasing, for example, offers all-inclusive rates that include maintenance, free mileage, registration, pickup/delivery, and a comprehensive insurance program, according to Cail.

Fleet operations requiring vehicles for less than a year should research and compare options available from different leasing companies. The ideal company would allow leasing as many units of the models desired for two to 12 months at a time. Flexible terms and cost-effectiveness should guide the decision. ■

