

Offer upscale vehicles to drivers for no additional cost

THE CHALLENGE

The sales reps and managers at this company were historically given Chevy Impalas as their company-provided vehicles. The sales executives wanted to motivate their employees, but they didn't have extra money in their budget to increase the level of vehicles they could provide to their drivers.

Fleet Size: 4,000 Vehicles

Vehicle Type: Sedans

Industry: Electronics

THE SOLUTION

A lifecycle cost projection analysis performed by the client's Wheels Account Manager determined that the Impalas could be replaced with more prestigious Audi A4s at a lower TCO. This was due to the consistently high residual values this model receives.

THE RESULTS

Three years after the A4s were implemented, the TCO was calculated for the new A4s and the results were a break-even between the Impala and A4. The fleet department was able to retain the same fleet budget while allowing their sales reps to drive an upgraded vehicle. The only reason the A4 didn't result in a lower TCO was due to higher fuel prices, since the MPG was slightly less with the Audi A4.

AUDI A4 HAS A LOWER TOTAL NET COST OF OWNERSHIP

Parameters	Cap Cost	Fixed Expenses	Variable Expenses	Total Monthly Expenses	Total Net Monthly Expenses	Cost Per Mile	Total Net Cost of Ownership
25 Months and 38K – 40K Miles							
Audi A4 Quattro AWD	\$27,330	\$566.01	\$242.32	\$922.25	\$808.33	\$0.532	\$20,208.20
Impala LT 3.5L	\$18,139	\$475.57	\$275.40	\$735.39	\$750.97	\$0.469	\$18,774.30
30 Months and 39K – 40K Miles							
Audi A4 Quattro AWD	\$27,330	\$445.56	\$216.01	\$897.50	\$661.57	\$0.496	\$19,847.09
Impala LT 3.5L	\$18,139	\$423.24	\$234.19	\$699.57	\$657.42	\$0.493	\$19,722.62
37 Months and 40K – 42K Miles							
Audi A4 Quattro AWD	\$26,751	\$368.44	\$184.28	\$852.46	\$552.71	\$0.499	\$20,450.33
Impala LT 3.5L	\$18,139	\$372.61	\$195.20	\$654.40	\$567.81	\$0.525	\$21,009.09

ABOUT WHEELS, INC.

Wheels, Inc. (wheels.com), which pioneered the concept of auto leasing in 1939, provides a full range of specialized services to help organizations manage their vehicle fleets. Wheels manages more than 300,000 vehicles. At near \$2 billion, its holding company Frank Consolidated Enterprises currently ranks as one of the largest private companies in North America. For additional information, please contact info@wheels.com.

All data analyzed and provided by Wheels, Inc.