

Achieving the Optimal Fleet Mix with Reimbursement and Leasing

THE SITUATION: LEASE VS. REIMBURSEMENT

Wheels client, Healthpoint Biotherapeutics, was acquired by Smith & Nephew Advanced Wound Management (AWM) in 2012. The two companies approached its fleet programs very differently. Healthpoint Biotherapeutics utilized a leasing program and Smith & Nephew AWM operated a Fixed and Variable Rate (FAVR) reimbursement program managed by a third party.

Faced with combining the two programs, Smith & Nephew AWM wanted to retain the positive attributes of both. With a lease program, the company was able to track maintenance costs, monitor fuel consumption and manage driver and vehicle safety. The reimbursement plan offered employees vehicle choice based on their needs and situation. However, the reimbursement program lacked safety and legal insights required in a world where negligent entrustment is a major concern.

With safety, risk mitigation and driver satisfaction all priorities for Smith & Nephew AWM along with better program control, Wheels offered a new and different solution—lease and reimbursement from a single provider.

THE SOLUTION: LEASE AND REIMBURSEMENT

The timing was perfect. The Wheels Innovation Team had recently released a new solution, one offering the flexibility to move between reimbursement and leasing programs, all managed by one fleet management company. Two years in the making, the Wheels Reimbursement Program offers the benefits of a single-source provider, control, high driver satisfaction, and administrative ease. Smith & Nephew AWM's fleet

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| Company: | Smith & Nephew Advanced Wound Management |
| Fleet Size: | 425 Vehicles |
| Vehicle Type: | Sedans |
| Industry: | Healthcare |

team, Erika Romada and Robb Wagner, championed the new program concept within the organization and pushed it to completion.

To introduce the new program to the drivers, members of the Wheels Innovation and Account Teams joined Erika at the Smith & Nephew AWM national sales conference. The teams presented the new programs to the entire sales force and staffed a booth to answer questions. Drivers choosing reimbursement were especially enthusiastic about the maintenance feature of the program. The program allows drivers to use the established Wheels Maintenance Program for their scheduled and unscheduled repairs, helping to avoid out-of-pocket maintenance expenses. After the sales meeting, additional webcasts were conducted and a cost projection tool was provided to help drivers make the best decision for their situation.

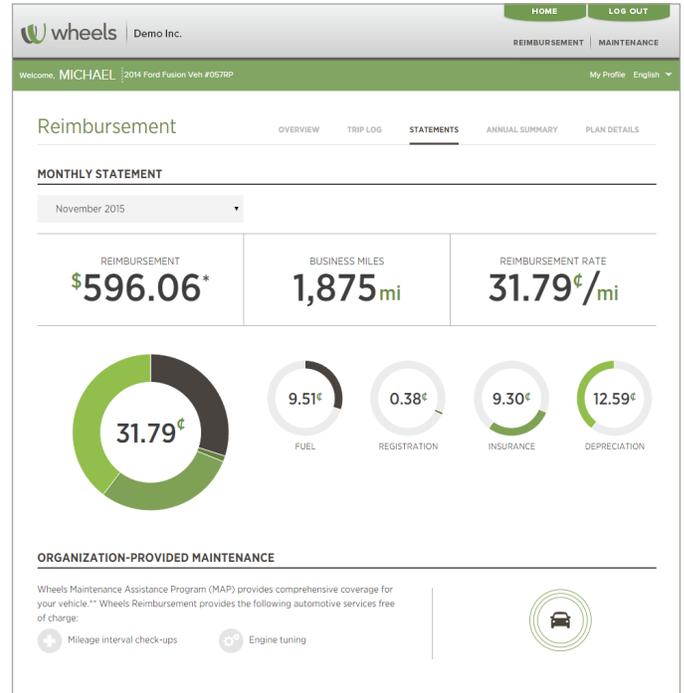


THE RESULTS

By partnering with Wheels to find a solution to their problem, Smith & Nephew AWM successfully introduced a leasing program and a reimbursement program to their fleet. Erika specifically cited it was easier to manage a fleet from one integrated platform and with a single vendor. With all of their data talking and working together, Erika had a more accurate view of costs, driver behaviors and vehicle activity across Smith & Nephew AWM's entire mobile workforce. This makes it easier for Erika to make strategic decisions on the entire fleet program.

In addition, because managed maintenance is standard in the reimbursement program, Smith & Nephew AWM reduced potential liability concerns related to unsubstantiated mileage and maintenance compliance. For the first time, their organization had a way to see which reimbursement drivers are complying with policy and repairing their vehicle. And drivers were pleased. They didn't have to worry about out-of-pocket maintenance expenses anymore, and they had a choice between lease or reimbursement.

So far, 80% percent of the Smith & Nephew AWM drivers have selected the lease program and the other 20% selected reimbursement, proving that offering a choice between programs was the optimal strategy for their fleet. As an added benefit, Smith & Nephew AWM realized a reduction in their reimbursement program operating costs of 30% and overall savings of 17.9%.



Only Wheels gives you and your reimbursed drivers the benefit of leasing-inspired tools like this informative DriverView™ interface.

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 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.