



## Results+

# Adhering to Replacement Policies Results in Long-Term Rewards

A leading life sciences and healthcare company, specializing in diagnostic testing, relies heavily on its fleet to transport diagnostic samples to laboratories. The global supply chain crisis significantly impacted vehicle availability, reducing ordering windows and making traditional replacement strategies unfeasible. The company's fleet, primarily composed of sedans and SUVs like the Chevy Equinox, faced strict allocation challenges over the past three years, complicating acquisition planning and one-to-one replacement strategies.

### **Solution: Managed Bulk Ordering Within a Limited Window**

Historically committed to replacing one-third of its fleet annually, the company chose to continue this practice despite the supply chain constraints. Confering with Wheels, they decided to order the entire allocation at once, fully aware of the logistical complexities and the need for a new post-order inventory management plan. Challenges anticipated included

storage costs, coordination with dealers, and the necessity of a detailed logistics plan. In partnership with their fleet management partner, the company successfully executed a bulk order placement within this tight window, maintaining their optimal replacement standards.

### **Results: A Newer, More Efficient Fleet**

The company's proactive approach in adhering to their replacement policy set them apart, helping to avoid the pitfalls of an aging fleet, such as increased maintenance costs, reduced resale values, and limited vehicle choices. Although initially more costly, the long-term benefits were substantial. By 2023, 78% of the company's active fleet was three years old or less, improving from 71% in the previous year. The company also capitalized on the robust used vehicle resale market, realizing significant resale credits over two consecutive years. Consistent vehicle ordering and the introduction of hybrid vehicles contributed to improved fuel economy year over year.

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**PROJECT SERVICES:** Vehicle Acquisition, Remarketing, Electric Vehicles

**FLEET SIZE:** 6,932

**VEHICLE TYPE:** Sedans, SUVs

**INDUSTRY:** Healthcare

### **Savings/Improvements:**

# 78%

of the fleet was less than three years old by 2023

# Strong Resale

market was leveraged