

# DOERING LEASING CO.

## DOERING FLEET MANAGEMENT eZINE

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### FUEL MANAGEMENT

Save 10-15% on fuel!

A properly utilized fuel card program can detect and/or prevent driver fraud, track fuel (grade) usage, monitor MPG, and provide an accurate assessment of spending per driver. Some firms use the PIN to bill fuel to job codes. The program can be customized for your use and consolidates all fuel spend onto one monthly bill.

Drivers have their choice of the cheapest fueling locations, not bound to drive out of their way to go to a BP or Mobil because you have a dedicated fuel card. Further, such fuel cards keep credit cards out of the hands of those that don't need them, further preventing fraud (the \$50 gas fill-up with \$20 in food for a driver, including cigarettes). Doering Fleet Management offers a comprehensive fuel card

Issue: # 31

March 2011

Dear Adam,

Doering Leasing Co. & Doering Fleet Management welcome our clients and *future* clients alike! We appreciate your time, attention and business greatly. Focused on the success of your fleet, Doering aims to impart a breadth of knowledge, ideas and paths to execution.

MUCH more information is available on our [website](#) in the newsletter archive! We enjoy sharing our expertise, knowledge and industry information with you such that you can make more informed decisions. Doering loves to hear your comments and ideas.

Come on in! There's much to share.

Do these issues strike a thought in your mind? Are you addressing them?

- Vehicle Policy Construction and Administration
- Vehicle Cycling Strategy
- Maintenance - Preventative and Reactive (is it up to each driver)
- Fuel Management (or are you reimbursing?)
- Replacement Vehicle Make/Model Identification
- Vehicle Liquidation Strategy (Maximizing Used Car Values)
- More...

**CALL OR E-MAIL DOERING NOW FOR A FREE NO OBLIGATION, INITIAL CONVERSATION AND EDUCATION. A talk never hurts! Education betters us and ensures our decisions are well-informed.**



### Ford Debuts New Fusion at Detroit Auto Show

*Automotive Fleet*

program underwritten by Wright Express, the largest fuel card in the nation and most widely accepted.

Contact your Doering representative for more information!

### **DID YOU KNOW DOERING OFFERS:**

#### **MANAGED MAINTENANCE PROGRAMS**

To minimize maintenance costs by utilizing national pricing, consistently maintain your fleet across locations and drivers, institute preventative maintenance schedules and improve vehicle resale value.

#### **FUEL CARD PROGRAMS**

Help track fuel outlays nationwide by driver and by vehicle, monitor fuel economy, grade of fuel purchased, and collect accurate mileage on vehicles in real-time. Drivers need not carry credit cards or go out of their way to find a particular brand of fuel! The program works at 98% of all gas stations! This system feeds data to the maintenance management program such that the fully integrated fleet management strategy is most successful.



#### **NATIONWIDE TITLE AND REGISTRATION MANAGEMENT**

#### **ACCIDENT MANAGEMENT**

#### **DRIVER TRAINING AND MOTOR VEHICLE RECORD TRACKING**



Ford unveiled its all-new Fusion at the North American International Auto Show in Detroit. The new sedan will come in a number of different models, with two EcoBoost four-cylinder versions, a normally aspirated four-cylinder, a hybrid model, and a plug-in hybrid version. The Fusion will come in three trim levels, S, SE, and Titanium.

#### Performance

The new Fusion comes in a range of powertrain choices, from a four-cylinder model to a plug-in hybrid. The models include a 1.6L EcoBoost model, which Ford expects to get 26 mpg city, 37 mpg highway. The 2.0L EcoBoost engine is the performance option.

Next up is the new Fusion Hybrid. This model also features an all-new 2.0L Atkinson-cycle four-cylinder gasoline engine, downsized from the previous 2.5L version, while maintaining performance standards, Ford stated.

The automaker expects this powertrain to deliver fuel economy of 47 mpg in city driving and 44 mpg on the highway. The Fusion Hybrid features all-new lithium-ion batteries that weigh less and generate more power than previous nickel-metal hydride batteries, while raising maximum speed under electric-only power from 47 mph to 62 mph, according to Ford.

#### Exterior Design

Ford stated it had a number of goals when designing the look of the new Fusion. First, the Fusion's profile is designed to set it apart from the "three-box" designs (powertrain/cabin/trunk) typical in the mid-size segment. Second, the Fusion's "character lines" sweep to the rear, and has thin roof pillars, both of which suggest agility. Third, Ford said the Fusion's design doesn't require add-ons or other visual elements to achieve a well-executed design. Fourth, the design elements present are functional in nature and are designed to reflect advanced technological capabilities. Those elements include the headlamps, LED taillamps, and polished exhaust tips. Lastly, the look of the new Fusion's front is designed to reflect the automaker's "global design language" for mid-size cars and smaller vehicles, according to the automaker.

#### Interior Design

**AND MUCH MORE!  
WE'LL ASK AGAIN!  
MAKE SURE YOU KNOW!**

### **NON-PROFIT FLEET MANAGEMENT UPDATE**

Everyone needs a champion behind them, sometimes one, sometimes many. Doering engages each non-profit organization fully - advising, working in the best interests of, being brutally honest with and supportive of everything "fleet" and often quite a bit more.

The intention is to focus on core competencies.

Sometimes your champion must turn you around and tell you "you're fighting the wrong battle - the bigger issue is that-a-way." There is a monumental opportunity cost to your time spent on non-core projects in lieu of key financial responsibilities. Chief Financial Officers, Treasurers, and Controllers should employ their time in the most effective ways possible.

REMEMBER:

**Everyone thinks they are a car business expert or knows someone who is. Car dealers are able to build monster buildings because of "experts."**

**Employ the experts. Let fleet management trained experts guide you, adding (1) quantifiable front-end savings, (2) advisory services on vehicle selection, (3) factory order services and nationwide drop-shipment to save money, (4) used vehicle**

The new Fusion features a number of interior changes designed to give a high level of fit and finish. Ford said interior surfaces are soft to the touch, with upholstered surfaces. For a quieter ride, Ford said it minimized exterior gaps, added acoustic underbody shields and weight saving sound-absorption material, and a full-perimeter hood seal. The Fusion Hybrid and Fusion Energi models are equipped with active noise control, which uses each vehicle's audio system to mitigate extraneous road noise while enhancing powertrain sounds.

Ford said it equipped the new Fusion with the latest edition of its SYNC system, which enables voice-activated communication through a drive mobile phone and audio system control. The automaker is also offering the Fusion with the latest version of MyFord Touch, which allows a driver to interact with vehicle systems through voice control, touch screen, or conventional button.

### **Safety Features**

Ford said its new Fusion offers four technologies to keep drivers safer the road and when parking. They include Ford's Lane Keeping System adaptive cruise control, active park assist, and the automaker's Blind Spot Information System (BLIS).

The Lane Keeping System uses a small, forward-facing camera behind the inside rearview mirror to look down the road, monitoring lane lines determine whether the car is on course. The system will alert the driver the vehicle starts to drift outside a given lane. The second element was the driver via a steering wheel vibration if the Fusion drifts too close to lane markings. Finally, the lane keeping aid element will apply pressure on the steering system to help bring the car back into proper lane position. The driver can turn the system on and off.

Other safety features include added dual first-row knee airbags and adaptive front airbags that vent and tether to conform to a specific occupant's size, position, and seatbelt usage.

### **Used Vehicle Market Dynamics Drive Decisions**

*by Adam Berger*

Short-cycling is a term used to describe an uncommon used car market condition in which used car values are propped up by a number of factors and it is advantageous to rotate vehicles earlier than normal cycling guidelines would suggest. [Long way of saying - it makes sense to get new car sooner]

Short-cycling may also be driven by product demands in addition to market demands. The introduction of newly redesigned body styles is often quite impactful for fleets that use two to three year cycling. A new body style has definitive negative impact on a vehicle's value. The Chevrolet Silverado "Classic" became a hot potato no dealership wanted to put their hands on. Demand was uncertain as consumer demand shifted to the most current design.

**remarketing, (5) maintenance management if necessary and more! Literally the savings can be \$3000-\$4000 per car looked at holistically. Going at it alone "because we have" or "because we feel like we know what we are doing" deserves serious consideration.**

**Stated better and put in perspective - Coca-Cola, Pepsi, General Mills, Kraft, GE, the airlines, the railroads all use fleet management firms and lease. Clearly value is being conveyed and monetized. Please allow yourself the clear mind to look into it further**

### **Get Ready for Higher Gasoline Prices by Spring**

*Automotive Digest*

Top of Form  
Analysts say U.S. motorists can expect to pay an average of \$4.05 for a gallon of self-serve regular gasoline this spring and close to \$5 by Memorial Day weekend. Gasoline prices are starting 2012 at the highest point ever because of high oil prices and brisk fuel exports. Several U.S. cities will see record average prices this spring.

### **Automakers See Future in Internal Combustion Engines**

*Automotive Digest*

Those left with many "classics," no matter the brand or model, acted to late. They had the ability to see the change coming and adapt to it. Manufacturers release redesign information long in advance as well as build-out schedules which fleet management and leasing companies are privy to. This information conveys when final orders for the current model will be accepted through and when the new model year order bank opens and when production begins.

In the end, the goal of a properly organized fleet is to minimize costs. Simple enough conceptually, most businesses and organizations are unable to bob-and-weave with the market in the ways that a fleet management and leasing company is able to. That is a reflection of focus and core competency, certainly not aptitude. The 2013 Ford Fusion is being redesigned. For those cycling every two to three years at 80-100,000 miles, the redesign is a major consideration because it is such a departure from the current design.

The same is true historically of the current Malibu and what quickly became the "Malibu Classic." The Malibu Classic quickly became all but worthless; losing what was close to \$1000 more as soon as a reasonable supply of new Malibu's reached the market.

Takeaways from this include (1) staying connected with the changes in body styles from model year to model-year and (2) being at the front-end of model year changes before values step down. Being knowledgeable and aware of surroundings while you are going into a model year change feels better and results in lower overall fleet operating costs [lifecycle costs] if managed properly.

Though rare, short cycling is quite beneficial. It is a dynamic market and vehicles are expensive commodities. Changing gears, if you will, at the right time is critical to managing costs - that includes when and if to utilize used vehicles, new vehicles, short-cycling, vehicle rebalancing, and more.

Ricky Beggs, Managing Editor for Black Book has more to say about this subject. For more information click [here](#).

### **Ready to Talk about Fleet Management Yet?**



**\$2140 per car.** We're talking about a lot more than pennies! That is the average savings Doering provides per vehicle. It's worth your time and attention.

You deserve to do the research, understand best practices in fleet management, and see the substantial savings and value proposition fleet management provides from the industry experts!





Fuel-efficient internal combustion engines were a significant part of many products unveiled at the Detroit show. Ford said its EcoBoost engine is getting fuel economies that approach hybrids while other automakers displayed fuel-efficient gas models that will achieve 35 - 40 mpg. Manufacturers are expected to continue to push various forms of electric drive for the long term although consumer response has lacked enthusiasm.

### Diesel Sales Outpaced Hybrids in 2011

*Automotive Digest*

Top of Form U.S. diesel sales grew by more than 27% in 2011, and auto industry officials predict another large increase in diesel sales in 2012 as the number of auto manufacturers add the technology to their product lineup. Diesels accounted for more than 3% of the U.S. automotive market last year, with all battery-electric, plug-in and conventional hybrid models combined generating just over 2%. Analysts caution the demand for diesels may not continue to outpace that for hybrids in 2012.

Still thinking? Did we mention - Doering Fleet Management has saved the average organization an estimated \$2140 per vehicle in 2011 in addition to all other services and value provided! Doering's used car remarketing prices were on average 30% over Manheim Market Report values. Using dealer trade-in values would make for an even more dramatic comparison.

**[CLICK HERE TO SPEAK WITH AN EXPERIENCED DOERING FLEET MANAGEMENT REPRESENTATIVE IMMEDIATELY!](#)**

### Why is Ford Killing the E-Series?

*Business Fleet*



The Transit is being brought from Europe in calendar year 2013. The arrival of the Transit spells the end of the E Series van. The E Series - Econoline, the workhorse that sold 8 million units in 50 years of service is being put out to pasture.

While the first Transit model arrives in 2013, the E Series won't meet its maker in one fell swoop; it'll stick around for a while as Transit sales ramp up and more Transit model choices come online. (The E Series cutaway will stick around even longer, Ford says. RVer's, you can rest easy.)

Ford is fixing up the baby room for its new arrival, investing \$1.1 billion in its Kansas City plant to build the Transit stateside. Obviously, this is a high-volume move for Ford.

But why kill the E Series? It's more about what replaces it - and a new philosophy in how we will use vans in America. First, the Transit fits Ford's (and every automaker's) new manufacturing philosophy. As automakers move to global platforms, so will Ford's commercial vans. Transit has 6 million in sales in its own right and is already available in half the world. It will be built on one of Ford's 12 global platforms, which makes much more sense from a manufacturing standpoint.

From an end-user standpoint, the Transit promises to be a van for all seasons and reasons, with many more choices for wheelbases, roof heights and engines than would've been possible in the E Series.

### **MIT Research Predicts Which Cars Likeliest to Run Red Lights**

*Automotive Fleet*

In order to reduce the number of accidents at intersections, researchers at the Massachusetts Institute of Technology (MIT) have devised an algorithm that predicts when an oncoming car is likely to run a red light.

Based on parameters such as the vehicle's deceleration and its distance from a light, the group was able to determine which cars were potential "violators" - those likely to cross into an intersection after a light has turned red - and which were "compliant."

In 2008, according to the National Highway Traffic Safety Administration, 2.3 million automobile crashes occurred at intersections across the United States, resulting in about 7,000 deaths. More than 700 of those fatalities were due to drivers running red lights. But, according to the Insurance Institute for Highway Safety, half of the people killed in such accidents are not the drivers who ran the light, but other drivers, passengers and pedestrians.

To view a video showing the MIT team's algorithm in action, with robots negotiating a busy intersection and

Even more so, it's about fuel economy - Ford expects the next-gen Transit to achieve a 25% improvement over a comparable E Series. Put "lightweighting" in your vocabulary - it's one of the ways manufacturers are continuing to reap even better fuel economy out of an internal combustion engine. The Transit is 300 lbs. lighter than the E Series.

Ford has been spearheading this new philosophy with its penetration of the Transit Connect, the small European van that tapped into an unsatisfied niche of users needing a nimble delivery vehicle. The TC passenger version is basically re-inventing the taxi market as well.

### **Toyota Takes KBB's Title for 2012 Best Resale Value Brand**

*Business Fleet*

Kelley Blue Book, a provider of new and used vehicle information, announced this month the all-new 2012 model-year vehicle winners of annual "Best Resale Value Awards," recognizing current and forthcoming vehicles for their projected retained value throughout the initial five-year ownership period.

The awards are based on projections from the November/December 2011 Kelley Blue Book Official Residual Value Guide, determined by a staff of automotive analysts. These awards honor vehicles expected to maintain the greatest proportion of their original MSRP after five years of ownership.

Low-volume vehicles and vehicles with a MSRP of more than \$60,000 excluded from award consideration, except in the luxury and high-performance categories.

#### **2012 Best Resale Value: Brand**

Toyota

#### **2012 Best Resale Value: Luxury Brand**

Lexus

#### **2012 Best Resale Value: By Vehicle Category**

Subcompact Car: Honda Fit

Compact Car: Honda Civic

Mid-Size Car: Toyota Camry

Full-Size Car: Nissan Maxima

Near-Luxury Car: Lexus Is

Luxury Car: Audi A5

Sports Car: Chevrolet Camaro V-6

High-Performance Car: Chevrolet Camaro Ss

Hybrid Car: Honda Civic Hybrid

Electric Car: Chevrolet Volt

Compact Suv: Jeep Wrangler

Mid-Size SUV: Toyota Fj Cruiser

Full-Size SUV: Chevrolet Traverse

Luxury SUV: Audi Q7

Hybrid SUV: Lexus Rx 450h

Mid-Size Pickup: Toyota Tacoma

avoiding potential accidents, click [here](#).

### Free Report Offers Advice on How to Comply With FMCSA Handheld Phone Ban

*Business Fleet*

A new Federal Motor Carrier Safety Administration (FMCSA) rule went into effect Jan.

3 that prohibits an estimated 4 million interstate commercial truck and bus drivers from using handheld cell phones while driving. To help commercial fleet operators conform to the new regulation, software provider ZoomSafer has released "FMCSA Cell Phone Use Regulations: A Guide to Compliance for Truck and Bus Fleets."

Under the new rule, individual drivers face **civil penalties up to \$2,750, while employers can be held liable and fined up to \$11,000 per infraction** committed while drivers are carrying out company business or otherwise acting on the employer's behalf.

"FMCSA has made it abundantly clear that employers are responsible if their employees violate the rule," said ZoomSafer CEO Matt Howard. "This new white paper offers commercial fleet operators a detailed explanation of the handheld phone ban and guidance on how to

Full-Size Pickup: Ford F-Series Super Duty  
Van: Honda Odyssey  
Wagon: Subaru Outback

### Toyota Camry Hybrid Tops Consumer Reports Ratings

*Toyota News Room*

Fox News and several other news sources are reporting that Consumer Reports has rated the all-new 2012 Toyota Camry Hybrid the top choice among family sedans. The magazine said it tested three versions of the Camry - the volume model LE four-cylinder, the Camry XLE V6 and the Camry Hybrid XLE - and recommended all three while giving the Camry Hybrid its highest overall rating in the family sedan category.

Consumer Reports noted a number of improvements in the Camry, including its more agile handling, improved interior and better fuel economy. It praised the hybrid model in particular for its 38 mpg rating on the magazine's tests.

To read the Fox News report on the test results, please click on <http://fxn.ws/sODXhl>

To read Consumer Reports' review and view a video of its testing, please click on <http://bit.ly/vNFXDW>

### \$1M Available For Fleets to Help Find Alt-Fuel Options

*Business Fleet*

American Fueling Systems (AFS), an Atlanta-based alternative fuels development and consulting company, has announced it is setting aside \$1 million to fund a Cooperative Agreement (CA) with fleet companies to provide answers related to using alternative fuels.

AFS seeks to provide answers to questions fleet operators face, such as "can my organization really benefit from the use of alternative fuels?" and "which alternative fuel should I use and how much will it cost?" The CA will provide fleet owners and fleet managers with a detailed alternative-fuel feasibility study specific to their fleet operations so they can get their questions answered with a detailed plan on how to make the transition.

"Every fleet operator in the country is looking for solutions to their rising fuel costs," said Rahim Charania, CEO of AFS. "By funding this Cooperative Agreement for fleet companies, we are offering our expert experience, and market knowledge to help them evaluate the best course of action in their transition to alternative fuels. In addition, the results of this CA will provide fleet managers and owners the tools and information to maximize the benefits of the transition."

According to Jorge Maroto, COO of AFS, the free study will help award recipients "better understand their capital costs, return on investments, paybacks and operational benefits," noting that an in-depth analysis of this kind would normally cost \$10,000 to \$25,000.

measure and manage employee compliance." To download a free copy of ZoomSafer's guide, click [here](#).

### **Auto Sales Soar for Chrysler, G.M. and Ford**

*Business Times*

Chrysler Group said that its U.S. automobile sales jumped 37 percent to 138,019 vehicles in December, marking the best month for the company in four years.

General Motors Co. said its 2011 sales jumped 14 percent to 2.5 million vehicles over sales in 2010.

Ford Motor Co. reported U.S. sales for 2011 jumped 17 percent to 2.06 million vehicles, helped by solid demand for its small fuel-efficient cars, utility vehicles and trucks.

#### **DOERING LEASING CO.**

***Trouble budgeting for fleet costs?***

***WE CAN HELP.***

***Leasing is fundamentally safer and more flexible than ownership and provides working capital and availability of credit, whether or not it is currently needed. Leasing provides predictable costs.***

Doering Leasing Co. and other reputable long standing leasing firms continue to operate with availability to capital for credit-qualified clients in

To apply for funds, go to the AFS website at [www.americanfuelingsystems.com](http://www.americanfuelingsystems.com).

### **Rising Tire Prices Take a Bite Out of Fleet Budgets**

*Automotive Fleet*

The prices of replacement tires have increased an average 6-9 percent per year for fleets.

Some tire industry experts foresee another round of tire price increases during calendar-year 2012. In the past, national account tire manufacturers have done their best to shield the fleet industry from price increases by holding prices for a 12-month period.

During 2011, tire prices increased at a higher rate than inflation, particularly for commercial trucks. Despite much higher retail tire prices, tire pricing for fleets have risen at a lower rate because of pre-existing fleet account pricing agreements. When tire pricing does change - typically on an annual basis - adjustments are made, but not at the level seen on the retail side. However, it would be shortsighted to believe fleet vendors will indefinitely absorb tire cost increases without fully passing them on to fleet customers.

One reason for the series of price hikes is due to increases in the cost of raw materials, especially the high cost of oil, a primary ingredient to manufacture tires. In addition, the world's rubber supply will likely become more constrained due to increased global demand, putting upward pressure on prices.

Supply and demand for raw materials is also influenced by the overall global market for tires. For example, there are more than 1 billion tires manufactured annually in 450 tire factories around the world. Almost 60 percent of the world's rubber is consumed by the global tire industry, with the remainder purchased by the general rubber products sector.

Increased global demand for tires is being fueled by the increasing volume of vehicles produced in China, South Korea, and India. There was a 6-percent increase in world auto sales in 2011, which was on top of a 10-percent increase in 2010. This year-over-year growth has led to a sharp increase in tire demand, with raw material suppliers struggling to keep pace. Global rubber production is forecasted to continue to lag behind OEM demand, which will add upward pressure on tire prices. A silver lining is ongoing improvement in tire quality, which has resulted in longer wear life. Tire life has been extended by 10 percent during the past 10 years, helping offset some of the recent price increases.

**If this newsletter was useful to you and imparted knowledge and ideas as it was intended to do, it was a success. If it did not, please provide the much-needed feedback.**



the same method and has been used in the fleet industry for over 70 years. Residual values are set accurately to reflect market conditions.

**This eZine provided by Doering Leasing Co. and Doering Fleet Management.**

**Please call me directly with any questions at 414-431-4320. We are advocates of educating -- you and ourselves. We are advocates of logical reasoning and diligent work. We're practitioners offering expertise and service as part of long-term partnerships. We have satisfied clients. If you're not one already, contact us to see if fleet management and/or leasing makes sense for you.**

Sincerely,

**Adam Berger**  
**Vice President of Sales**  
**Doering Leasing Co.**  
**Doering Fleet Management**  
**d 414.431.4320**  
**e adam@doeringleasing.com**

Many articles or content thereof are from various industry sources. The information is intended to be advisory in nature, but should not be relied upon without proper guidance consultation and advice, both from a fleet manager and an accountant, as needed.

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Doering Leasing Co. | 5317 N. 118th Court | Milwaukee | WI | 53225