

# DOERING LEASING CO.

*September 2010*-- So much is happening in the industry! The used car business is booming, values are incredibly high, and new car prices remain on an increasing path. The latter is permitting the OEM's to generate a profit, limit production, and retain long-term value they had not previously. The auto business is making major leaps forward and we're here to keep you in the front row, not in the bleachers. Inside you'll find great information on the auto industry, personal and fleet vehicle news, and nuggets of valuable information! Get comfortable -- there is a a lot to learn!



**Do you believe the retail car business is up 32% year-to-date?  
Read more below!**

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**Dear Adam,**

**Doering Leasing Co. welcomes our clients and future clients alike! We appreciate your time, attention and business greatly. We are focused on your success, longevity, and the complete satisfaction of your fleet needs.**

**DID YOU KNOW? - Now is a great time to shed unutilized and underutilized vehicles. The used market is incredibly strong and values remain high. Used vehicles that sit idle tie up capital unnecessarily and break from lack of use and "lot rot," not to mention tie up valuable**

Issue: 25

**DOERING LEASING CO.**

FLEET SERVICES

ACCOUNT NO.

PREFIX NO.

VEHICLE CARD NO.

GOOD THRU



**RCRI Conference - Anaheim  
Here We Come**



Doering will be in attendance at the RCRI 2010 Conference September 14-16th.

**VISIT OUR ALL-NEW  
BOOTH**

**SIGN UP FOR OVER \$300 IN  
FREE FUEL CARDS!**

Come discuss your fleet, including new strategies and approaches that might help decrease fleet operating costs, outsource much of the frustration and administration, and free up capital for more productive uses.

Whether you buy or lease, come talk to  
**DOERING FLEET  
MANAGEMENT** experts.

Doering offers:

**MANAGED MAINTENANCE PROGRAMS** to help minimize maintenance outlays nationwide, consistency maintain your fleet, institute preventative maintenance schedules and improve vehicle resale value.

capital.

**MUCH more information is available on [doeringleasing.com](http://doeringleasing.com) in the newsletter archive! We enjoy sharing our expertise, knowledge and industry information with you such that you can make more informed decisions. We love to hear your comments and ideas.**

## NON-PROFIT RELIGIOUS FLEET MAINTENANCE STATISTICS:

**MAINTENANCE COSTS** - What does it cost to maintain your fleet? It is a function of the type of vehicles and age of vehicles. Preventative maintenance typically alleviates major repairs but increases average non-emergency maintenance spend per vehicle. You know what is said about an ounce of prevention?

The average religious non-profit organization spends \$46/month per vehicle on maintenance (based on a data sample of over 10,000 vehicles). The newer vehicles require far less and the older vehicles require far more. The sweet spot in this data analysis shows that a well-cycled (cycle = replaced/rotated) fleet incurs only about \$30/mo per vehicle in maintenance costs. 8-12 year old vehicles, no matter their mileage account for a statistically disproportionate amount of the maintenance spend and should typically be eliminated from a fleet.

Our competitors offer FULL SERVICE / FULL MAINTENANCE leases for \$80-\$120 per month per vehicle. Shall we review the math? That's 174% - 260% of what would typically be incurred just to have a firm take the risk and level the payments over time. SELF INSURE! A managed maintenance program is an accurate way to track actual maintenance spend without employing your internal human resources, time and energy authorizing repairs, reimbursing repairs and tracking them.

Doering Leasing Co's managed maintenance program proactively tells drivers when their vehicles need preventative service, track vehicle repair and maintenance history in a computer system readily accessible nationwide, and offer many ancillary benefits - roadside assistance, motor vehicle record checks, glass breakage repair, accident management, registration management, and much more! For about \$10.00 per month per vehicle, a managed maintenance program is easily justified.

The program includes negotiated and discounted rates for repairs and access to A.S.E. certified mechanics who speak directly with the repair shops and authorize or DENY repairs as they deem necessary. Your drivers are never put in an awkward position to deny repairs and are never pressured to complete them.

Managed maintenance programs are the way to go! Contact DOERING for more information or visit us at the RCRI conference! We can't wait to see you.

**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. This system feeds data to the maintenance management program such that the fully integrated fleet management strategy is most successful.

**AND MUCH MORE!**

Doering - Experts in Religious Non-Profit Organizations Fleet Management Needs

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## RECENT SUCCESS STORIES

**USED CAR SALES** - Doering Remarketing has had tremendous success with both off-lease and customer-owned vehicle sales. Used car values, including SUV's, commercial trucks and pickups, are incredibly high. One example included the sale of 20 previously owned vehicles as the client transitioned to a full fleet management and leasing program. Vehicles were sold, condition reports taken on each and values assessed vis-a-vis Manheim auction market value results from the last sixty days. Vehicles sold for greater than 30% over market value estimates on average! This was over \$24,000 additional that was not expected.

Incredibly high resale value have allowed organizations to cycle vehicles more readily while maintaining the lowest annual cost for fleet vehicles. Take advantage of the great used car market and cycle vehicles. **READ MORE BELOW!**

**FLEET MANAGEMENT WHERE LITTLE EXISTED** - Doering recently began working with a business with a very diverse fleet of vehicles, nearly all makes and models scattered around the nation. Drivers were empowered to select the vehicles, negotiate for them, negotiate trade-in values for old vehicles so long as the vehicle meets the size criteria deemed "necessary.". No fleet discounts were being employed, no controls in place, no direction given to drivers. The result was a diverse fleet of vehicles with acquisition costs over 10% greater than they should have been. **KEY POINT** - By not selecting preferred brands, drivers often selected vehicles with terrible resale value, reliability, or both. The firm had to pay the bills long-term. Doering instituted a fleet selector list comprising the best options available in each car and truck class necessary (not wanted -- just necessary). Doering setup fleet rebate programs with the respective manufacturers using a power of attorney and working on behalf of the client. The result was a 12% savings per vehicle, saving thousands of dollars per vehicle. Working with the firm, Doering helped order vehicles with necessary options, but managed to keep options limited to manage costs and consistency across the fleet for numerous reasons. Vehicles were factory ordered to decrease costs rather than purchase vehicles out-of-stock!

## Green Fleet News and Information to Green You

### Gas vs. Hybrids: Which is Better Suited for Your Fleet?

Courtesy of *Green Fleet*

Vincentric, a privately held automotive data compilation and analysis firm, performed a "fleet-centric" lifecycle cost analysis on hybrid models and their gasoline counterparts at three and five years. The company calculated 20,000 annual miles and gasoline prices as of May 2010. As this is strictly a cost calculation, hybrid availability for specific models is



## Featured Article

### Religious & Non-Profit

In addition to periodic Ezines, Doering sends newsletters and other useful information. We guarantee it to be useful.

[Join Our Mailing List!](#)

## Driver Wants vs. Needs

### Responsible Fleet Management



Drivers want a power seat, leather, and a moonroof. Why? Why not?

There is a balance between driver satisfaction and cost. Consistency across a fleet goes a long way and formal fleet management practices can prescribe many of these answers and save time and emotional battles with drivers.

Employ a consistent model where drivers are assigned a vehicle size class. They can appeal it based on medical needs or the applications in which they use the vehicle. Options are chosen fleet-wide and only medical needs permit exceptions.

Limiting options and drivers' autonomy to select the make and model of their vehicle is a critical step. Instituting fleet consistency toward brands with great reliability and resale value are top priorities.

Fleet management experts are well-versed in delving into a diverse fleet of vehicles, parsing through those that should be replaced based on age, mileage, maintenance history and other data. New

not taken into account. Lowest Costs Per Mile  
Hybrids beat out gasoline models when it comes to lowest cost per mile (cpm) over a longer time period, but just slightly.

Taking a top spot on the list after both three- and five-year periods, the Honda Insight EX, a dedicated hybrid vehicle, ties with the gasoline-powered Toyota Corolla LE to offer the lowest cpm at \$0.28 after three years - and then passes up the Corolla after five years, dropping one penny to \$0.27 cpm.

While not first place after five years, the Corolla still offers some competition for hybrids, coming in at \$0.28 cpm along with the Honda Civic Hybrid and the Toyota Prius II. In addition to the Insight, these vehicles offer fleets the lowest cpm.

Luxury models appear to operate at a higher cost per mile, with cpm for the Lexus LS 600h L, a hybrid, totaling \$1.11 after three years for the highest expense, and then retaining that spot after five years but dropping to \$0.97. The Mercedes-Benz S550 follows at \$0.94 cpm in the three-year period, and then increases to \$0.97 after five years.

When comparing all models across the board with their hybrid counterparts, the majority of gasoline models were just a few cents less per mile after three years. After five years, hybrids became the more economical choice, but also by just a slight difference of 3 cents or less, with several matching up in costs. The largest difference between traditional and hybrid vehicles was by far the Lexus LS 460 L and the comparable LS 600h L, which was 23 cents more. None of the other models even reached a double-digit difference, with most no more than 4 cents higher.

#### Checking Fuel Economy

Overall, the Toyota Prius II is the most fuel-efficient vehicle, offering 51/48 mpg city/highway. The Ford Fusion Hybrid is the next overall most fuel-efficient vehicle at 41/36, but costs \$0.10 more per mile after both three and five years than the Insight, Corolla, and Civic Hybrid - those offering the lowest cost per mile. The Honda Civic Hybrid comes in next at 40/45 mpg city/highway among these models.

#### Consider the Value

While hybrids often get a bad reputation for "hefty price tags," the results of Vincentric's analysis show costs per mile definitely provide a case for looking into these eco-friendly vehicles. Hybrids fall within a reasonable cpm range compared with traditional models, but often come with higher acquisition costs. Of all hybrids, the Toyota Prius is the least expensive choice - however, still nearly \$7,000 more than the most economical of all, the Toyota Corolla LE, which is listed at \$15,969.

From an environmental standpoint, going green is a great image to promote for your fleet and your company. The determining factor would be whether you can afford the upfront cost.

#### **Chevrolet & GMC Announce 2011-MY CNG & LPG Vans for Fleets**

vehicle options will be discussed and a long-term plan set into motion to logically and methodically roll into a full fleet management program and transition the myriad of vehicle options from the past into a cohesive and reliable fleet going forward.

Experts at DOERING can guide you through this process with ease and professional expertise.

#### **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.***

The collapse of the Big 3's leasing companies is not a sign of any market change away from leasing, but rather their inability to access capital in an incredibly capital-intensive industry with low margins. In the case of the Big-3, systemic losses due to unrealistic residual values put the nail in the coffin and sealed their fate. The Big 3's captive leasing companies were losing on average \$3500 or more on each lease-turn-in.

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

*Courtesy of Green Fleet*

Compressed natural gas (CNG) and liquefied petroleum gas (LPG) powered versions of the Chevrolet Express and GMC Savana full-size vans will be offered to fleet and commercial customers beginning later this year, according to General Motors. The fully integrated and dedicated compressed natural gas (CNG) option, available this fall for Chevrolet Express and GMC Savana full-size vans, will be priced at \$15,910 MSRP. [That's for the option, not the van.](#)

The vans feature specially designed engines for the gaseous fuels and come direct to the customer with the fully integrated and warranted dedicated gaseous fuel system in place.

"We're listening to our fleet customers and dealers about offering options that help them achieve their business objectives," said Brian Small, general manager of GM Fleet and Commercial Operations. "The industry commitment to expand the CNG and LPG infrastructure in key fleet markets was an enabler to allowing us to introduce these options now."

**Engines EPA & CARB Compliant**

GM's Vortec 6.0L V-8 engine receives hardened exhaust valves and intake and exhaust valve seats for improved wear resistance and durability for gaseous fuel systems. Along with dedicated gaseous fuel injection and fuel storage systems, both the CNG and LPG systems are fully integrated into the vehicle, and will meet EPA and California Air Resource Board (CARB) certification requirements and be fully compliant with applicable motor vehicle safety standards.

Initial CNG offerings will be available starting this fall on 2011 model-year cargo vans and built at GM's Wentzville, Mo., assembly plant with the specialized Vortec engine. The vans will be completed at a separate facility with the dedicated gaseous fuel system and related vehicle calibrations before shipment to the special vehicle manufacturer (SVM), fleet customer, or GM dealer.

Leveraging the same Vortec 6.0L V-8 with hardened, durable components, a dedicated LPG gaseous fuel system will be offered on 2011 model-year cutaway vans to fleet and commercial customers. The cutaways can be configured into cube, delivery, and shuttle bus vans.

**Simplifying Alt-Fuel Vehicles**

Both CNG and LPG vans will carry GM's limited new-vehicle warranty including the 5-year/100,000-mile transferable GM powertrain limited warranty.

By offering a one-source van CNG option, GM eliminates the vehicle conversion process for its CNG customers.

"Our focus from the beginning has been to offer fleet customers a simple 'check the box' approach with our CNG Chevrolet Express and Savana vans," said Small.

"We've made choosing a CNG or LPG van easier for our customers," added Joyce Mattman, director of GM Commercial Products and Specialty Vehicles. "We recognize the value in providing our fleet and commercial customers with a range of fuel saving and alternative- fuel technologies. The CNG and LPG

clients in the same method as has been used in the fleet industry for over 70 years.

Residual values are set accurately to reflect market conditions. The most promising aspect is lower acquisition costs across the board.

## **Doering Remarketing Grows in Depth & Breadth**

Doering Leasing Co. has operated a remarketing department for 20 years. Doering added the following services to satisfy the demands of our customers in addition to the traditional fleet remarketing duties. You may find them useful in your fleet. Doering is dynamic and trying to help fleets focus on core competencies to every extent possible:

- Owned Vehicle Remarketing (cars, trucks, equipment)
- Nationwide Owned Vehicle Disposition
- Internet Remarketing
- Used Vehicle Acquisitions for Fleets

and much more!

Ask your Doering Fleet Manager for more information.

Doering Leasing Co. is adapting to a changing market to meet the demands of our partners and offer value in every way possible.

## **Fuel Card Programs Save 10-15% on Fuel Spend**



A properly utilized fuel card program can detect and/or prevent driver fraud, track fuel

additions are part of GM's expanding alternative-fuel portfolio."

[Doering would suggest a very comprehensive cost-benefit analysis to justify this option which also has waterfall effects on maintenance and vehicle downtime.]

### 'Green Telematics' Use to Grow

Green fleet management is going wireless. Offering simple solutions for sustainability-targeted fleets, the "green" telematics market is expected to experience a nine-fold growth increase in the next five years, according to recent industry analysis.

A report by Frost & Sullivan released in February estimates European and North American fleet green telematics markets will likely rise from \$80 million in 2008 to \$700 million by 2015. Measuring a compound annual growth rate of 36 percent from 2008 to 2015, the expected market expansion is due primarily to "heightened pressure on fleet companies to reduce their carbon footprints and develop greener images," said Frost & Sullivan, a global consulting and market research and technology analysis firm.

The firm's analysis noted, "Fleet companies and consumers alike are increasingly warming to the service since a fuel cost reduction of 10 percent and an equal measure of CO2 reduction are possible through green telematics services offered as a dedicated product or an add-on service."

Frost & Sullivan reported fleet operators are becoming more aware of the benefits of green telematics; however, that recognition "has yet to reach levels necessary to facilitate wider adoption." Encouraging navigation manufacturers, insurance companies, telematics vendors, and fleet companies to raise awareness about green telematics systems, the Frost & Sullivan report recommends focusing "on it being a cost-effective and fuel-efficient method to decrease emissions."

### Tracking & Monitoring Data

As the technology advances, its essential importance as a fleet "greening" tool becomes more significant. Whether cell phone-based or an in-vehicle unit, telematics' greatest value is the wireless transmission of data and information.

Most relevant to company and fleet sustainability programs is information that helps analyze fuel consumption and vehicle emissions - data that tracks and monitors driver behavior and vehicle location, performance, and maintenance.

A growing variety of green telematics packages are available through fleet management companies or as standalone services. Many offer real-time data reporting directly to a fleet manager's desk computer or smart phone. The efficiencies created and cost savings realized have provided positive returns on investment for many fleets, large and small.

Telematics-provided data also is essential in creating the green fleet program benchmarks so critical to successful sustainability efforts.

(grade) usage, monitor MPG, and provide an accurate assessment of spend 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 program underwritten by Wright Express, the largest fuel card in the nation and most widely accepted. Contact your Doering representative for more information!



### Swedish Man Gets \$1 Million Speeding Ticket

A Swedish driver caught driving at 180 mph in Switzerland is likely to receive a world-record speeding fine of \$1 million, according to Press TV.

The 37-year-old man, who was driving his Mercedes SLS AMG, was clocked along the A12 highway between Lausanne and Bern in Switzerland several weeks ago, reported Press TV.

Swiss police arrested the driver and confiscated his car. The man defended himself on the grounds that his car's

Baseline data establishes a measure by which progress can be evaluated.

Companies using telematics to green their fleets include Frito-Lay, Wal-Mart, SC Johnson, Verizon, UPS, FedEx, and such vocational fleets as utilities, plumbers, landscapers, service business, etc.

### Delivering Green Benefits

Today's telematics helps fleets pinpoint and deliver eco-important benefits in a variety of areas:

- Driver behavior. Nearly every "green-related" driver action can be tracked, including fuel consumption, speed, "jackrabbit" stops and starts, mileage, excessive idling, etc.
- Vehicle/engine diagnostics. In-unit devices monitor vehicle performance and status, electronically alerting fleet managers of problems that can lead to reduced fuel efficiencies or greater emissions levels. Telematics-provided diagnostic codes can be analyzed to help identify greener-running vehicles in terms of actual mileage and maintenance issues to improve future vehicle selection.
- Vehicle maintenance. A properly maintained vehicle helps ensure fuel-efficient operation. Fleet manager alerts, based on vehicle engine and component status, monitor compliance with fleet preventive maintenance policies.
- Route optimization. Telematics mapping features plot the most efficient route from one stop to another, to reduce fuel-consuming mileage.
- Vehicle location. Real-time vehicle location mapping provides flexibility in efficiently dispatching vehicles.
- Reduce unauthorized use. Non-business-approved vehicle use contributes unnecessary fuel-consuming and emissions-producing mileage to fleet operations.
- Cargo delivery system enhancements. Technologies such as radio frequency identification (RFID) help assure expedient deliveries and cargo management, promoting fuel-efficient delivery routes.

## Fuel Economy Tips of the Month

Driving habits have a dramatic effect on fuel economy - up to 40%

WATCH THE VIDEO - [CLICK HERE](#)

TEXT VERSION - [CLICK HERE](#)



## What is Fleet Management?

Proper Fleet Management is a Decision.

It's a choice....or more accurately a series of good choices.

Make the right decisions!

Fleet management is a fancy term without a clear definition. We're about to rectify this.

Fleet management is sequence of decisions and actions which achieve key desired goals in a vehicle fleet - specifically decreasing costs,

speedometer may have been faulty, according to Press TV.

The Swiss law calculates the cost of a speeding fine based on the size of the infringement as well as the income of the driver. Under the law, prosecutors said the Mercedes-driving man is likely to be fined the equivalent of \$1.08 million in U.S. dollars.

## Toyota Launches Tacoma Production in San Antonio

Toyota continues to invest in the United States, Production of the Tacoma pickup truck began last month but was marked with a ceremony at Toyota Motor Manufacturing, Texas, Inc. (TMMTX). The \$100 million investment boosts total investment to \$1.4 billion. Tacoma's production move to TMMTX was announced a year ago and adds 1,000 jobs. Today, over 2,800 team members are employed at TMMTX and the plant is fully positioned to ramp up Toyota's pickup truck production for the American market.

During the economic downturn, TMMTX was one of several Toyota plants impacted by poor sales. However, TMMTX retained its workforce instead of laying off, in order to strengthen team members' skills and improve plant processes.

## 2011 BMW 5 Series Draws 'Top Safety Pick' Award

After earning "good" ratings - the highest given - in all four safety evaluations, the redesigned BMW 5 Series has drawn "Top Safety Pick" status

increasing resale value, gaining consistency and control over maintenance spend, tracking fuel costs and using fueling-related data to derive fuel economy calculations, preventative maintenance actions and more. Fleet management is not about leasing or buying; rather, it encompasses assessing your current situation, desired long-term goals, and sets a path to achieve said goals.

Normally, the best managed fleets institute a relationship with a fleet management firm (and who better than DOERING - honestly) to employ buying large-fleet power, professional expertise, nationwide vehicle distribution, remarketing, maintenance management and fuel management. Employing outside experts for accounting, legal, medical, and any speciality need makes sense. Fleet management is an arena so many believe they can handle themselves...with serious consequences, with significant costs. Fleet management firms also provide driver training, if needed, registration and renewal management, roadside assistance, towing, glass breakage repairs and much more.

Doering Leasing Co. is a PARTNER, not simply a fleet management firm. Partners work with you and in your best interest, proactively and honestly. Partners are in it for the long-term and live by the VALUE and BENEFITS they provide. Find a partner. Find DOERING

## Current AutoBiz Macroeconomics 101

Not since World War II has the United States scrapped more vehicles than it sold, effectively contracting the U.S. fleet. 2009 was the first time. Fourteen million vehicles were retired in 2009 and only ten million new vehicles were sold. The U.S. fleet dropped from 250 million vehicles to 246 million. It's notable that the U.S. has only 209 million drivers.

Cash for clunkers had little impact as it was a one-for-one exchange that put 700,000 new vehicles on the road. J.D. Power projections for 2010 new vehicle sales were recently raised to 11.8 million from 11.7 million.

Retired vehicles continue to meet or exceed new vehicle figures as Americans "use up" vehicles at a faster rate than Americans are replacing them.

This is the root cause of the **boiling** hot used car market in the \$1000-\$7500 car segment. Affordable used cars are at a premium as uncertainty and trepidation remain pungent in the air.

"Positive first-quarter GDP growth and favorable employment numbers suggest that the economy is performing slightly ahead of expectations," J.D. Power said. "In addition, robust product activity is expected to drive consumers into showrooms, and fleet volume is

among large cars, the Insurance Institute for Highway Safety (IIHS) announced. This is the first 5 series ever to earn the Top Safety Pick award, and the first BMW to achieve this since the IIHS implemented a new rollover test requirement.

Top Safety Pick recognizes the vehicles that earn the highest ratings for front, side, rollover and rear crash protection, and that have electronic stability control, which is standard on the 5 series, IIHS said.

The "good" rating for side impact protection is a significant improvement over the previous generation 5, which was rated "marginal" in the same test. The institute's side impact test represents a strike from an SUV or pickup.

## RELIGIOUS/NON-PROFIT LEASING REPORT

Doering has been told by dozens of non-profit clients that the 2011 model year orders will be substantial, trying to get caught up from a period of "drought" in vehicle cycling. **Most 2011 model year order banks are open.**

**REMEMBER** - The used car market is still RED HOT. Now is a great time to dispose of old vehicles.

Doering offers both fleet leasing and fleet management services to organizations which BUY OR LEASE vehicles.

For organizations that buy, Doering helps institute best practices, negotiate rebates, buy vehicles at fleet prices (**often \$1500-\$2000 cheaper**), provide advisory services and vehicle selection analysis, maintenance plans,

being replenished from the low levels of 2009."

However, less spending on buyer incentives from automakers will cause retail sales -- those mainly to individual consumers -- to fall to 9.2 million vehicles on a SAAR basis compared with 9.6 million in 2009, the analysis and research group based in Southern California said.

Fleet sales -- mainly to government agencies and companies -- will rise to 205,000 new vehicles, up 52 percent from last May, J.D. Power said.

U.S. light-vehicle production for 2010 was forecast at 11.2 million cars and trucks, an increase of 32 percent from 2009.

## Full-Size ½ Ton Pickup Truck Statistics

Doering recently completed analysis of twenty-four months' worth of full-size pickup truck fuel data. Overall fuel economy in fleet operation was 17.5 MPG but found the Chevrolet Silverado pickups achieved 18.9 MPG long-term. Doering believes this is due to the active fuel management system improving fuel economy in coasting, idling, and other low-demand driving situations.

A definitive uptrend in full-size truck fuel economy is noted, approximately 10% in recent years, despite the EPA's revised fuel economy testing criteria. It is also notable that full-size pickups are rated at 14-15 MPG city and 19-20 MPG highway on the window sticker and are achieving better than expected outcomes in fleet (non-towing) operation.

## Great Time to Sell Used Vehicles / Cycle Your Fleet

The used car market couldn't be any hotter! It is a great time to sell unutilized or underutilized vehicles and replace 6-10 year old vehicles that still have substantial value in the current market. New car prices are incredibly attractive. Coupled with high used car prices, the argument for replacing vehicles at this juncture is compelling! Any decision that narrows the amount of depreciation sustained per vehicle is a logical and judicious decision.

Lack of supply of used car trade-ins and a steady demand for inexpensive used vehicles has driven market prices for compact through full-sized used cars up. Vehicle values are always

and fuel card programs.

For organization who choose to lease or wish to consider it, Doering provides a comprehensive analysis of value-add of a properly implemented leasing program, whereby your organization retains significant capital for reinvestment in a much more productive application.

Experts help in every aspect of running your organization - experts on your finance committee, your outside accountant, attorney, and insurance agent all make educated and informed recommendations. They are working on your behalf to add value and deliver results. Doering, too, is working on your behalf. Having done so for over 20 years in the non-profit sector, Doering delivers the best service - consistently and enthusiastically.

**GET EDUCATED ON FLEET MANAGEMENT AND LEASING OPTIONS!** You will be pleasantly surprised by the benefits offered. **Sale-and-leaseback's are increasingly common as they generate capital immediately, capital that can be invested and utilized for current and future needs.**

J. Paul Getty teaches: *"Buy assets that appreciate; lease assets that depreciate."*

**The ability to pay cash for vehicles is something to be proud of; it is just not the best use of capital long-term.**

Layer on the benefits and expertise a fleet management

decreasing over time, but vehicle values have bucked the trend and have inflated to unsustainable values. In the short-term, likely one to two years, vehicle values will remain quite high as new car volumes are limited by OEM's to maintain profitability and prop up resale value. If new car volumes remain consistent (even increased slightly), used vehicle values will remain very high.

Case and point: Doering liquidated fifteen 8-10 year old Ford/Chevy compact and full-size cars in Detroit this week. They sold for 40% over MMR (Manheim Market Report) prices and garnered \$19,800 over MMR values. Clearly this was all due to Doering's hard work and name, but a little has to do with the marketplace we suppose. These vehicles were not in mint condition, were rated "average" or below.

**BOTTOM LINE** - With replacement vehicle costs today and the resale value of the used vehicles we are seeing, it is the perfect time to cycle a fleet, take advantage of a slow new car market, a raging used car market, and see results. Our client realized that the cost of their vehicles was only about \$100/mo per vehicle in raw depreciation. A new Focus is \$15000 or so; a used one sells for \$5500-\$6000. That's \$9000 in depreciation over 6-7 years = \$107-125/mo. If prices were normalized and the same used car sold for \$3500, monthly depreciation quickly becomes \$150/mo or more.

The market is setup to cycle your fleet now with all factors aligned in your favor. Do it. Contact Doering for help if you wish. We're more than happy to provide great news to you too. Remember, don't go it alone. Time is wasted; money is left on the table; frustration proliferates the process.

## Vehicle Turnover + Cycle Times

Through a slow economy, vehicle turnover has slowed and cycle times have extended. This has been the case for over two years and organizations are finding themselves with aging fleets, maintenance costs increasing substantially and issues with downtime, driver dissatisfaction, and safety concerns paramount.

It is important to address cycle time lag proactively before it spirals out of control. Doering and our peer group firms nationwide have seen excessive cycle time lag spiral out of control to the point that it can not be easily remedied. A quandary of exponentially increasing maintenance costs and the increased costs of renewing 30% of a fleet in short order make the decision difficult.

Doering suggests dealing with this situation proactively. If a reduce vehicle turnover is necessary, this can be handled long-term, but ceasing replacements and extending cycle times without a clear and

firm provides and you have a very compelling case for leasing. **Budget, invest, track, manage...**

You hire the best attorney, best insurance agent & best CPA for your needs -- Do the same with your fleet management firm!

**- DOERING -**

definitive strategy are problematic long-term.

If this problem already exists in your organization, there are few choices but to bite the bullet, analyze what your long-term fleet cycle interval should be, determine a long-term pace (# vehicles per year) and add ½ of those you are behind on replacing to that interval for the 2011 model year and the same for the 2012 model year. The best organizations come out of a slow time lean, mean, and clean - ready to take on new challenges and business opportunities without the baggage of an aging fleet holding you back.

Fleet isn't meant to be the top priority. Your core business/mission is! Consistent attention and the right partner (named DOERING) will keep fleet management from becoming your top priority. In fact, at Doering, we love this stuff! Your fleet management is our top priority. Remember - it is out core competency. It is all we think about. It is all we live for. We darn good at it.

## News That's Fit to Print

GPS Voices Should Match Users' Mood for Safety Reasons- from business fleet

GPS devices and their constant demands can at times actually sound like the machines are nagging or being bossy. Tech researchers are trying to make the voices sound less robotic, but they're facing hurdles, according to CNN. For GPS devices, voice technologists record human actors reading different sentences. Computers store these sentences in a database, chop them into sounds, and then remix them to make any possible combination of words. The result is intelligible, but it's not quite human.

One reason for this is that human speech is complex, with about 40 basic sounds in the English language, with seemingly limitless combinations. But this will improve as computers continue to get faster and are able to store more data, said Mark Gretton, chief technology officer of TomTom, a GPS maker. Also, technology appears to have made some strides in replicating the sound of human emotion and inflection.

To make computers sound more human, the machines must somewhat understand what they're reading so that they know when to inflect. This part of computer science is much more challenging, said Andy Aaron, a computer speech researcher at IBM.

The user's mood at the time he is using the technology is another factor. How well a computer voice matches the listener's mood is not just a matter of preference, it's a matter of safety, said Clifford Nass, a Stanford professor who studies computer voices.

A study found that these emotional mismatches may actually be

dangerous in driving situations. Sad drivers who get instructions from happy computer voices, and happy drivers who listen to sad voices, are more likely to have accidents, he said. The emotionally confused drivers are also less likely to be able to pay attention to the road.

One solution gives drivers options when it comes to the voices of their computerized companions. TomTom offers a range of downloadable voices, from the fictional Darth Vader and Homer Simpson to celebrities like the rapper Snoop Dogg. Users can also read a list of test sentences and have their own voices transferred into the GPS.

## Chrysler Begins Establishing Fiat Dealer Network

*Courtesy of Business Fleet*

Chrysler Group LLC has begun the dealer selection process for the reintroduction of the Fiat brand in the United States.

Chrysler Group expects to select dealers in about 125 markets identified for growth potential in the small-car segment. Fiat dealers will be located in approximately 41 states.

"The Fiat dealer network will be appropriately sized to serve the market opportunity," said Peter Grady, vice president of network development and fleet. "Our vision is to establish a dealer network that will reflect and enhance the brand's reputation for innovation and fun, and will offer a unique, personalized customer experience.

Chrysler Group plans to officially announce its U.S. Fiat dealer network locations in September.

## Black Book: "Very Positive Retention Value" for New Diesel Engines

*Courtesy of Business Fleet*

The used-vehicle market is performing well, with auction attendance and activity stable, but there is noticeable activity from the truck segment and its improved retention values, according to Ricky

Beggs, of "Beggs on the Used Car Market."

Beggs, the managing editor of Black Book, says the truck segment - including pickups, vans, SUVs and crossovers - have had the most activity with 67 percent of the adjustments coming from these type vehicles. Full-size pickups, in particular, are a very vital part of the industry and have improved in retention value.

"With a very large portion of the power plants in this segment being diesel fueled, meeting the latest diesel emission standards has required new technologies. These power plants, at a significant premium cost over the gas engines, from \$7,200 to \$7,800 when new, have a very positive retention value, currently at \$7,400 for a used three-year-old model," Beggs says.

He adds that the extended, super and crew-cab pickups have increased in their retention values, and attracted more potential buyers in the wholesale and retail markets in the used markets.

"Today's three-year-old extended/super cab models will bring an additional \$1,500-\$2,200 premium over a regular cab model. Taking it to the next level, a crew-cab version with four full doors will require an additional \$2,000-\$2,500 more over the extended/super cab design," he says. "Sure you are going to pay an extra \$2,100 to \$2,700 when new over the regular and/or extended versions for the increased cab space and doors, but it opens up many more potential buyers in both the wholesale and retail markets in the used markets."

## Mercury's Demise, Impact on Retention and Brand Values

Courtesy of *Business Fleet*

Many consumers have turned to Ford-branded products, which have demonstrated strength in both sales and perceived quality over the past few years. With an improved lineup and strong product growth, Ford cannibalized many previous Mercury customers. Currently, Mercury only accounts for approximately 0.8 percent of the U.S. automotive market share, with the majority of Mercury sales going to fleet customers.

Current macroeconomic indicators are significantly more unfavorable for Mercury, with total industry sales in the 10- to 11-million range. On the positive side, Mercury is currently selling fewer than 90,000 annual units, which is less than both Plymouth and Oldsmobile prior to their phase out.

In ALG's next report, it will include a 2.5-3pt negative adjustment to the residual outlook for the overall Mercury brand consistent with the historic declines seen in other retired brands, but taking account of the positive factor of low volume.

While Mercury's used brand value had been on an upswing since 2008, minimal differences between competing Ford models with similar equipment and styling, coupled with unexplained price discrepancies, resulted in sales figures and demand that have declined swiftly over the last few years. Currently, Mercury's used brand value is approximately 12 percent below the industry average, and ALG has forecasted it to decline an additional 5.5 percentage points by 2013.

ALG regards brand value as a significant driver of residual values; hence, this forecasted decline is a significant factor in determining the 2.5-3pts of forecasted deflation that will be applied to the brand over the 36-month term.

Doering recommends NOT acquiring Mercury branded vehicles, but rather employ Fords in your fleet as necessary. Sell the ones you have before the brand is phased out as Saturn was.

## Company Demonstrates Plugless Power for EVs and Hybrid Vehicles

Courtesy of *Business Fleet*

[This is an amazing new technology that would legitimize the electric car and allow its use in the mainstream. Your home, your office parking structure, and the shopping mall would all be buyers. It's a plugless technology; it's sustainable. The only downside - it just pushes the carbon footprint toward a power plant, just further from view and has only 80-90% efficiency versus corded charging systems.]

A working prototype of a plugless induction charger for electric and hybrid vehicles is in the works, according to [physorg.com](http://physorg.com). Virginia-based company Evatron demonstrated the system at the Plug In conference that took place the week of July 26 in San Jose, Calif.

To recharge a vehicle's battery using the system, the vehicle parks at a Plugless Power station over a floor-mounted parking block. The block automatically aligns itself with an adapter fitted to the vehicle and begins charging. No flow of electricity takes place between the vehicle and parking block, and no plugs or cables are used.

The system operates by electrical induction. In this process, electrical current flowing into a primary source produces a flow of current into a secondary source, without using plugs or cords. The down side is that a 20-percent loss in power can take place during charging. Evatron rates its system at 80-percent efficient, but hopes to reach 90-percent efficiency by the time production units are released.

The system's first two major components are an adapter fitted on the vehicle and a parking block, which is a long flat pad on the ground underneath the vehicle at the charging station or in the garage. A control tower plugged into the grid is the third major component. Essentially, the adapter and parking block form two separated halves of an electrical transformer.

Induction chargers have been used in portable devices such as mobile phones and electric toothbrushes, and for medical implants, but this is the first time such a system has been tried for electric and hybrid vehicles.

## Chevrolet Volt Battery Gets Standard Eight-Year, 100,000-Mile Warranty

The Chevrolet Volt electric vehicle will provide customers with a standard, eight-year/100,000-mile warranty on its advanced, lithium-ion battery. The comprehensive battery warranty is transferable at no cost to other vehicle owners.

"The Chevrolet Volt's batteries have exceeded our performance targets and are ready to hit the road," said Micky Bly, GM executive director, global electrical systems. "We are making a commitment to our customers to deliver the highest standards for value, safety, quality, performance and reliability for an unprecedented eight years/100,000 miles."

The Volt's comprehensive battery warranty covers all 161 battery components, 95 percent of which are designed and engineered by GM, in addition to the thermal management system, charging system and electric drive components.

The Volt is the only electric vehicle that can operate under a full range of climates and driving conditions without limitations or concern about being stranded by a depleted battery. It has a range of about 340 miles and is powered with electricity at all times. For up to the first 40 miles, the Volt is powered solely by electricity stored in its 16-kWh lithium-ion battery, using no fuel and producing no

emissions. When the Volt's lithium-ion battery runs low, an engine/generator seamlessly operates to extend the driving range another 300 miles on a full tank of fuel.

GM's Brownstown Township plant, which began building prototype batteries in January, soon will begin regular battery production.

"We're moving fast to deliver for the customer and ensure the Volt launch stays on track," said Nancy Laubenthal, plant manager of the Brownstown Battery Plant. "Last August we announced the investment in the Brownstown facility and in January built our first completed battery pack. Now we are finishing pre-production batteries and soon we will begin building production batteries for Chevrolet Volts that will be delivered to dealers before the end of the year."

## Ford Completes Sale of Volvo to Geely

Volvo Car Corporation and related assets have been sold to the Zhejiang Geely Holding Group Co. Ltd.

The total purchase price for Volvo and related assets set forth in the agreement signed in March 2010 was \$1.8 billion, including a \$200 million note and the balance in cash. Geely issued the note Aug. 2 and paid \$1.3 billion in cash to complete the sale.

Under the new ownership, Volvo Cars will retain its headquarters and manufacturing presence in Sweden and Belgium; and its management will have the autonomy to execute on its business plan under the strategic direction of the board.

Ford will continue to cooperate with Volvo in several areas to ensure a smooth transition, but has not retained any ownership in the Volvo business. Ford will continue to supply Volvo with, for differing periods, powertrains, stampings and other vehicle components. Ford also has committed to provide engineering support, information technology, access to tooling for common components, and other selected services for a transition period.

## Honda to Sell Plug-In Electrics

Courtesy of *Business Fleet*

In announcing it will begin selling two new plug-in electric vehicles in the United States in 2012, Honda notes that these plug-in cars are just a step toward hydrogen fuel cell vehicles, according to news

reports.

Honda Motor America said it will sell a small plug-in electric "commuter car" and a mid-sized or larger plug-in hybrid vehicle. Honda will also introduce a more fuel efficient version of the Honda Civic Hybrid next year. The new Civic Hybrid will include Honda's first use of lithium-ion batteries in a hybrid vehicle.

The automaker will first roll the plug-in electric vehicles out in a test program in California beginning this year, with Google, Stanford University and the City of Torrance, Calif. serving as participants.

Other major automakers, including General Motors, Ford, Toyota, Fiat and Nissan have all previously announced plans to begin selling plug-in vehicles in this country by 2012, but this is the first announcement from Honda. GM will begin selling the Chevrolet Volt, and Nissan will begin selling the Nissan Leaf, both in relatively small numbers by the end of this year. Ford Motor Co. plans to begin selling its Ford Focus BEV plug-in car early next year. Fiat will begin selling an electric version of its tiny 500 hatchback in the U.S. in 2012.

Honda sees electric cars as only a temporary step toward mass-market adoption of hydrogen fuel cell vehicles. A Honda spokesman said fuel cell vehicles are the "ultimate solution," but lack of hydrogen filling stations is the current obstacle. Honda, however, is working to perfect at-home hydrogen fueling technologies.

## 2011 Ford Explorer to Deliver 30 Percent Better Fuel Economy

The 2011 Ford Explorer equipped with an optional 2.0-liter EcoBoost I-4 engine will be the new class leader in the mid-size SUV segment, achieving at least a 30 percent increase in fuel efficiency compared with the current V-6-powered Explorer.

"The all-new Explorer will give a huge universe of existing and prospective customers the capability they expect and the luxury and convenience they want, all combined with the fuel economy they need," said Mark Fields, Ford president of The Americas.

The new Explorer, which arrives in showrooms later this year, has a reduced vehicle weight compared to the previous model. Extensive use of lighter and stronger high-strength steels such as boron add durability while saving weight. An aluminum hood is used, while a one-piece composite front bolster - the radiator support between engine and grille - is 65 percent lighter.

Sophisticated engine controls and other technologies contribute to the Explorer's improved fuel economy. Electric power-assisted steering, battery management, fast engine warm-up and aggressive deceleration fuel shutoff all combine to improve drive dynamics and save fuel.

The Explorer also features the first North American Ford application of a variable-displacement air conditioning compressor that reduces parasitic engine drag.

Powertrain advancements like twin independent variable camshaft timing and six-speed automatic transmissions help Explorer deliver responsive performance when needed combined with low-rpm efficiency when cruising.

The EcoBoost I-4 engine pairs a turbocharger with direct gasoline injection to provide drivers with projected class-leading fuel economy - pending EPA certification - with no compromise in performance.

## Tesla Motors and Toyota Partner to Develop Electric Version of RAV4

Tesla Motors Inc. (Tesla) and Toyota (TMC) have signed an agreement to develop an electric version (EV) of the RAV4.

With an aim to market the EV in the United States in 2012, prototypes will be made combining the Toyota RAV4 model with a Tesla electric powertrain. Tesla plans to produce and deliver a fleet of prototypes to Toyota for evaluation within this year. The first prototype has already been built and is now undergoing testing.

In May, Tesla and TMC announced their intent to cooperate on the development of electric vehicles, parts, and production system and engineering support. Tesla seeks to learn and benefit from Toyota's engineering, manufacturing, and production expertise, while Toyota aims to learn from Tesla's EV technology, daring spirit, quick decision-making, and flexibility.

TMC introduced the first-generation Prius hybrid vehicle in 1997. The company also plans to introduce EVs into the market by 2012.

Tesla's goal is to produce increasingly affordable electric cars for mainstream buyers - relentlessly driving down the cost of EVs. California-based Tesla designs and manufactures EVs and EV powertrain components, and is currently the only automaker in the U.S. that builds and sells highway-capable EVs in serial production.

## GM Announces Pricing on 2011 Chevrolet Volt - Shocking but True!

Doering believes each vehicle will have \$5000-\$7500 under the back seat -- given the price.

General Motors announced pricing on the 2011 Chevrolet Volt, the industry's first electric vehicle with extended-range capability, at the Plug-In 2010 conference. Starting July 27, participating Chevrolet dealers in launch markets will begin taking customer orders for the Volt.

The Volt's MSRP will start at \$41,000 (\$33,500 net of the full federal tax credit, which ranges from \$0-\$7,500) including a destination freight charge of \$720.

Chevrolet will offer a lease program on the Volt with a monthly payment as low as \$350 for 36 months at manufacturer's suggested retail price with \$2,500 due at lease signing, including security deposit based on current conditions, which could vary at time of delivery. The benefit of the \$7,500 tax credit is included in the reduced lease payment, with the tax credit going to the lessor. Customer deliveries of the Chevrolet Volt are scheduled to begin in launch markets late this year with initial production limited.

## GM Confirms Network of 4,500 Dealers - Arbitration Completed

General Motors recently announced that it has concluded the dealer arbitration process and that effective Nov. 1, it will have a network of about 4,500 U.S. dealerships to sell and service customers for Chevrolet, Buick, GMC and Cadillac vehicles.

The company also reported that many of these dealerships are participating in a major facilities upgrade program, with more than 300 updates already completed and about 1,000 projects scheduled through the end of 2010.

Although GM's new dealer network is about 25 percent smaller than in early 2009, it remains the nation's largest. This gives existing and potential GM customers more choice and convenience when it comes to where to buy a car and have it serviced.

During its restructuring last year, GM offered wind-down agreements to 2,064 Chevrolet, Buick, GMC and Cadillac dealers that the company determined needed to transition one or more of those brands from the dealer network by Oct. 31, 2010, when the dealer agreement expires.

Under the provisions of a federal law passed in December 2009, GM dealers filed 1,176 arbitration cases with the American Arbitration Association to have their dealer agreements reinstated. Only 62 arbitration cases were completed with decisions rendered. GM offered 702 Letters of Intent to involved dealers, allowing them to conduct normal dealer operations as soon as they comply with the terms of the Letter of Intent. GM has reached 408 individual resolutions with other dealers, most of which call for the dealer to continue the wind-down process. Four cases were dismissed.

In June 2009, GM had 6,049 dealerships selling eight brands, with 87 brand combinations. The new dealer body will have about 4,500 dealerships, with just 15 brand combinations and four brands. GM dealerships across the country are updating their Chevrolet, Buick-GMC and Cadillac facilities to align with new branding guidelines. This initiative, which began in October 2009, is accelerating with dealerships upgrading their stores at the rate of about 100 per month.

Major elements of the image upgrades include customer-friendly features such as work areas with phone and lap top computer power outlets, Wi-Fi and a café area with refreshments.

"Customers throughout the country will be seeing a new look at the Chevrolet, Buick, GMC and Cadillac dealerships in their communities," Reuss said. "Putting our new dealer network in place is one of the most important elements in the rebirth of GM."

This September 2010 EZine provided courtesy of Adam Berger

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