



WHITE PAPER

***Asking the Hard Questions
to Find the Right Partner***



Once you start to look at fleet management companies out there, you will find the majority offer what you are looking for and even some capabilities you didn't know you needed. The search eventually narrows down to a short list of providers with similar technology, services and pricing. This is the stage at which you need to ask the hard questions. It is important to find out if the FMC can truly be an extension of your team because most fleets are a costly, support-intensive piece of an organization's business operations. You don't need a vendor. You need a partner.

WHAT DO YOU REALLY NEED?

It is 7:00 p.m. on a Saturday night. I have a problem. What phone number do I call and who answers it?

Your contact options should never be limited to an 800 number. If you have a question about your fuel program or need to talk about upfit options, you should not be forced through an automated phone labyrinth only to end up talking to a customer service center person who has no idea who you are.

Ask who your contacts will be. If the only answer is "You can call our 800 number anytime," take this company off the list immediately. You should have direct contact with the team members responsible for the services and technology that will become integral to your fleet functionality, and they should care as much as you do about your operational needs. This level of support should be included in any baseline agreement.

The big test is whether or not you also have access to the company's leadership. A truly client-oriented partner should give you that because a customer-centric culture starts at the top.

WILL YOU CUSTOMIZE A LEASING STRUCTURE?

I'm concerned about being locked into a leasing structure. What if the terms don't really work for how our organization operates today or how we will need to operate in the future?

One size does not fit all when it comes to lease structures. Every fleet is different, and business operations from accounting practices to capital availability and cash flow affect what will work best for you. A flexible structure that helps your company mitigate asset risk early in the lease is essential. Lifecycle management, how long you plan to run vehicles, is also something to consider when evaluating your options. And, you should have options including closed-end and open-ended leasing.



Not all FMCs are flexible when it comes to leasing plans, so it is important to know up-front what plans are available when evaluating a partner. If an FMC isn't willing or able to create a leasing structure that is optimized for your organization and commit to reviewing and altering it if necessary, move on to one that will.

WHAT KIND OF RESALE MARGINS DO YOU GET?

Resale is going to significantly affect my cost of ownership, so how do I know you will get me the best price?

Another significant consideration in leasing agreements is resale value. In most situations, the lessee is on the hook if vehicles don't fetch what was anticipated. Ask what margins an FMC is getting when remarketing vehicles. What percentage over indexes do they average and how broad is their resale partner network? They should have the resources and data in place to get you the best value.

Ultimately, you want a fleet management partner that is willing to work with you on a lease structure that fits your business. They need to carefully consider vehicle lifecycles and be willing to renegotiate with you should a payment structure not be working. If mileage limits are more than anticipated or there is a change in the resale market, or even an evolution in your operations, your fleet management partner should want to do what is best for you. It is all about quality of service and focusing on helping you run efficiently.

HOW DO YOU HANDLE DATA?

Is it easy to use? How often do you update it? Do you take customer input into account? Fleets produce a tremendous amount of data, but it is only useful if that information is presented in a way that is actionable.

Ask when the first rollouts occurred, how many customers are using the technology and what processes the FMC has in place to solicit client feedback and make improvements based on that feedback. You want proven technology with a solid support team behind it.

If you are evaluating these solutions, your key considerations should be:

Ease of Use

Can I access information easily and efficiently?

Custom Reporting

Can I easily create reports that provide valuable insight into my operations?



Customer Support

The technology is only as good as the service behind it. If you or your drivers run into a problem, will that FMC pick up the phone on the first ring and will the person on the other end be someone who knows you and your operations?

WHAT IS YOUR COMPANY'S CORPORATE CULTURE LIKE?

I want to know that you are a good company to partner with.

Good companies attract and keep good people. You want the account representative you work with today to still be with you tomorrow. Which is why gaining insight into a potential partner's corporate culture and management structure should factor highly into your final decision. Who owns the company? How involved is upper management in day-to-day client services? How do they support employees and what is their retention rate? Even knowing what kind of charitable programs they have can give you a sense of the culture and an understanding of how well you are aligned.

Switching your fleet management provider is an involved process particularly when a great deal of technical integration is involved, so you want to be confident in your choice from day one. If you are undertaking a switch, you probably feel even more pressure to get it right. And, if that's the case, don't lose sight of what you really like about your current arrangement while also being focused on the reasons you decided to look for a new fleet management provider in the first place. The services and technologies you truly need and what you expect out of the relationship should be the cornerstones of your FMC partnership, and you don't need to compromise.

If you would like to know how Merchants Fleet can help your organization review all of your options, please contact: 866.653.2737 or leasecontact@merchantsfleet.com