



PRESSED BY THE ECONOMY AND OPERATIONAL CHALLENGES, FLEET MANAGERS AND THEIR PARTNERS USE TECHNOLOGY AND EXPERIENCE TO CUT COSTS AND IMPROVE EFFICIENCY

Nearly every business relies on some manner of vehicular support, and today's commercial fleets meet cross-continental needs that include transportation, shipping and safety for businesses of all sizes. Fleets are not only giving auto manufacturers a much-needed shot in the arm—they're also paving the way toward fuel-efficient, environmentally friendly transportation and logistics solutions. Like their managerial counterparts in every other business sector, fleet managers face a slew of operational challenges and expenses they must meet in order to keep their armadas on the road. For example, during the economic struggles of 2008–2009, freight capacity became an issue. When consumer spending dropped, manufacturers made fewer products, which led to less shipping activity. Since fewer trucks were needed on the road, truck manufacturers decreased their output. Today, spending and shipping volume are up, but there aren't enough trucks to move the products. And that's just one concern for fleet managers. The good news is that help is never far away.

We never
stop asking:
How can we
help drive
your business
forward?
That's Ryder.



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THE COST OF NEW VEHICLES WENT UP WHEN THE EPA MANDATED NEW TRUCK ENGINES.

GET YOUR MOTOR RUNNING—AND KEEP IT THAT WAY

The cost of new trucks went up in 2010, when the EPA mandated that they be installed with new, lower-emission engines. The cost of these more expensive heavy-duty engines has been significant. With a steady diet of curveballs such as this on the menu, fleet managers look to full-service partners to cover all the bases. One such partner is Ryder System Inc. (Ryder.com), which for nearly 80 years has provided outsourced transportation solutions, including fleet, logistics and supply chain management. A key offering is Ryder's full service lease, which comprises a package of vehicles, painted and decaled to promote customers' businesses; ancillary support services such as insurance, safety and environmental DOT compliance; and, most importantly, full vehicle maintenance.

Ryder Chairman and CEO Greg Swienton says, "We don't just lease fleets of vehicles—we maintain them. Most customers find value and benefit in high-quality service, preventive maintenance and regularly scheduled checkups. They want uptime. They want to avoid breakdowns. Our customers are buying an insurance equivalency—they're guaranteeing that their equipment is going to remain up and running." And once those vehicles are on the road, Ryder's on-board GPS-guided software, RydeSmart, interfaces directly with the vehicle's engine and logs driving activity and location, sending live, real-time data to the fleet dispatcher or manager. Using RydeSmart, a manager can know at all times where units are, monitor potential fuel-wasting activities such as hard-braking or hard-acceleration patterns, and whether they're on route, out of route, on time or idling. Businesses looking for an even more turnkey solution, that includes all of the above plus drivers and route management, can outsource their entire transportation function to Ryder through its dedicated contract carriage solution.

For clients who already own a fleet, Ryder offers contract maintenance as a stand-alone service. And for those looking for affordable purchasing options, Ryder offers quality used vehicles from an inventory of roughly 25,000 previously driven units.

S3

FILLING THE TANKS

The volatile nature of the cost of fuel is the most intimidating wild card routinely dealt to fleet managers. Fluctuation in per-gallon cost can severely impact a fleet-owning company's bottom line. Even the slightest price uptick can have substantial negative impact upon earnings. Fuel cost is a potentially crippling issue for small, cyclical businesses struggling to manage their cash flow, and an enormous challenge for businesses with fleets of thousands of vehicles that must keep moving.

The innovation of GPS-based tracking systems, offering managers up-to-the-minute data pertaining to their fleet, is one tool for fighting the battle against fuel costs. These technologies, which have software and hardware components, monitor fuel consumption, watch driver behavior, optimize driving routes and also report on unauthorized idling and out-of-route miles. The reporting of these statistics typically adds up to greater fuel efficiencies.

Wright Express (wrightexpress.com) has been servicing fleets in need of efficient management and streamlined fuel and maintenance costs for the past 25 years. Their flagship fuel charge cards are used by both commercial and government fleets representing more than 4.5 million

units. The company's customers have Web access to an application called WEXOnline, which helps safeguard against vehicle fraud and misuse of the fuel cards, according to David Maxsimic, Executive Vice President of Sales and Marketing. "From a control and alert standpoint, you have to curtail misuse and fraud to keep the company on its budget. With WEXOnline, managers get immediate email alerts. If we see a spending pattern that's not typical for that fleet, we'll send a notification. Whether it's a driver purchasing unauthorized premium fuel, exceeding the present gallon threshold or fueling after-hours, it's critical for managers to have that control."

Wright Express recently launched its fuel site locator, which allows drivers to use their smartphone to find the lowest-priced fuel, no matter where they are on the road. This real-time data can save drivers as much as \$.20 a gallon. "With real-time transaction data, you're gaining a couple of things," Maxsimic says. "You're not basing decisions on historical information. If you look at the volatility of what fuel prices can do in just a short span like a few weeks, it's important to have the latest numbers. Information leads to knowledge, and knowledge leads to power."

Time is Money.

Wright Express can save you both.



With skyrocketing fuel prices you need fleet solutions that are quick and easy to implement and consistently save you money. Whether it's with our best-in-class card controls and alerts, our Level III data capture, or our fuel price mapping tool, you'll gain the insight you need to minimize card misuse, curtail fraud, and take control of your fleet expenses.

SAVINGS - Keeping an eye on the bottom line

- Limit driver spending by using our built-in purchase controls
- Save time and money by reducing administrative time - we do the paperwork for you
- Pinpoint the lowest fuel price in any area by using our new mobile app Fuel Site Locator

CONTROL - Best-in-class controls and alerts

- Set up email purchase alerts to monitor adherence to company policy
- Our **WEXOnline**[®] management tool allows customers to manage and control expenses with real-time, accurate information - all with a click of the mouse
- Reduce fraud risk and cut costs with **WEXSMART**[™] GPS tracking

CONVENIENCE - Wherever you go, there we are

- Nationwide acceptance at more than 90% of all U.S. retail fuel sites
- **FREE** 24/7 live customer service

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THE EXTRA GREEN MILE

Over the past five years, auto and fleet industry leaders have partnered with the EPA, the Environmental Defense Fund and other green-minded organizations to conceive and produce vehicles that run on natural gas. Ryder recently signed an agreement with the San Bernardino Associated Governments (SANBAG) to launch the nation's first large-scale natural-gas truck deployment in a commercial rental and leasing operation. As part of the project, 202 ultra-low-emission natural-gas vehicles will be integrated into Ryder's Southern California operations, where customers will be able to access them through rentals, leases or dedicated contract carriage services.

Another major player helping fleet managers go green is PHH Arval (phharval.com), a provider of financial and management services for commercial vehicle fleets since 1946. PHH Arval currently manages over 500,000 fleet vehicles in North America, and in 2005 it kicked off PHH GreenFleet®, which presents customers with reports of their CO₂ emissions and recommends tactics to reduce them. "The business case for reducing carbon emissions is a coinciding reduction in fuel expenditure," says George

WITH THE VOLATILITY OF FUEL PRICES, IT'S IMPORTANT TO HAVE THE LATEST NUMBERS.

Kilroy, the company's President and CEO. Clients who've participated in PHH GreenFleet have reduced CO₂ emissions by 14% on average, and have also seen substantial reductions in fuel costs.

"Fleets are usually one of the top five indirect spends that a company has," says Kilroy. "It's a very visible spend, and there's usually a lot of pressure on fleet managers to reduce costs." To efficiently manage their customers' expenses, Kilroy and PHH stress the importance of managing fuel purchases, regular vehicle maintenance scheduling, thorough equipment replacement strategies, accident management and violation-per-vehicle reduction. According to PHH, the emergence of new technologies, such as in-vehicle telematics devices with real-time data and mobile technologies, allows them to explore new opportunities to reduce costs.

Traffic violations by drivers are another in-

tangible that might seem minor compared to fuel costs or accidents, but Kilroy knows from experience that big-city rules create big problems for fleet managers. "In New York City, for instance, you see a lot of parking tickets," says Kilroy. "Managing those tickets one at a time is an administrative headache, and it's expensive. Since 2009, we've saved clients over \$600,000 in New York parking tickets alone, by funneling them through a stipulated fine program which allows certain infractions to get reduced and waived." Managing programs such as these on behalf of their clients is something PHH does on a regular basis. "Sometimes people misunderstand what fleet management is, exactly," adds Kilroy. "They wonder if it's a leasing business or maybe an automobile-related business. But this is a customer service business. That's what we invest in, and that's what ties this all together." —*Jamie Gerardi*

A large graphic of a DNA double helix structure is formed by numerous cars of various colors (blue, white, black) flying over a city grid. The cars are arranged in two parallel strands that twist around each other, creating the characteristic spiral of a DNA molecule. The background is a light blue gradient with a faint city grid pattern.

Innovation. It's in our DNA.

Innovation. It's in everything we do. From our creative and flexible approach to customer service and driver productivity, to the way we integrate data and award-winning technology with the experience and commitment of our employees.

Since 1946, innovative thinking with a customer focus has helped our clients reduce costs and maximize productivity. Learn why top companies choose PHH Arval for their fleet management solutions – and how we can help you manage yours.

www.phharval.com/dna

The **art** and **science** of fleet managementSM

PHH