

From: Adam Berger <adam@doeringleasing.com>

Subject: eZine - March 2013 - Doering Fleet Management & Doering Leasing Co.

Reply: adam@doeringleasing.com



eZINE

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Drivers have their choice of the cheapest fueling locations and do not drive out of their way to go to a BP or Mobil because you have a branded fuel card. Further, such fuel cards keep credit cards out of the hands of those that don't

Issue: # 37

March 2013

Dear Adam,

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 and industry information with you.

Education betters us and ensures our decisions are well-informed! Never be lulled by "we have always done it this way".

LET'S GO



Ford Shifting 2.0L EcoBoost Engine Production to U.S. to Meet Demand

Automotive Fleet

Ford said it's investing nearly \$200 million in its Cleveland Engine Plant to meet demand for its 2.0L EcoBoost inline four-cylinder engine. The automaker said production of the 2.0L EcoBoost engine for North America is currently based in Valencia, Spain, and this change will shift production of the engine to Ohio and add 450 jobs at the plant. The plant in Spain will remain the key production facility for 2.0L engines for vehicles sold in Europe, according to Ford.

The 2.0L EcoBoost engine is currently available in the Explorer, Edge, all-new Escape, all-new Fusion, the Focus ST, the Taurus, and the new Lincoln MKZ and MKT Livery models. In 2013, Ford expects to sell more than 500,000 vehicles equipped with EcoBoost engines, which would be a major increase over the 334,364 EcoBoost vehicles Ford said it sold in 2012. The company said its EcoBoost engine technology will be available on more than 90% of its North American nameplates in 2013 and on 95% of them by 2015.

Ford said production of the 2.0L EcoBoost engine will begin at the Cleveland plant in late 2014. The Cleveland plant currently builds Ford's 3.5L EcoBoost engine and the 3.7L V-6. The facility employs roughly 1,300 people, according to the company.

Black Book Expects Pickup Truck Resale Values to Remain High Despite Arrival of New Models

Automotive Fleet, By Greg Basich

With auto show season in full swing, new-vehicle introductions mean eventual changes in used-vehicle values and often in fleets' remarketing strategies. Automotive Fleet spoke with Black Book's Ricky Beggs, senior analyst for the company, about the effect models introduced at the North American International Auto Show (NAIAS) in Detroit will have on used-vehicle values in the future.

With fleets using pickup trucks as core workhorse vehicles, **new vehicle introductions can mean major changes in resale values depending on the number in the marketplace and new features on upcoming models.** At NAIAS, Chrysler's Ram 1500 received the Truck of the Year award, General Motors brought its all-new upcoming Chevrolet Silverado and GMC Sierra trucks, and Ford showed a new concept vehicle, the Atlas Concept, which hints at what the automaker is planning for its F-Series pickups in the years to come. With all these new trucks arriving, or scheduled to arrive, in the marketplace, what's going to happen to their resale values? According to Beggs, demand should remain strong.

Beggs noted that over a three-month period, pickup truck values only depreciated 7/10ths of a percent, looking at 2010-MY vehicles, a model-year that many fleets are remarketing right now. In addition, when looking at the time period of Feb. 1, 2012 through May 1, 2012, pickup truck values actually increased 1.7%. He said that although the market won't likely see pickup truck values increase by that large a percentage during the Feb. through May period in 2013, he said there could be an uptick, especially due to funds available from the federal government for rebuilding post Hurricane Sandy.

need them, further preventing fraud and accidental loss.

The newest feature of the Wright Express Fleet Card let's YOU control how much your drivers fuel, putting your budget back in your hands. You can set a specific dollar amount per transaction and limit fueling to a specific time period. If a driver reaches the pre-selected dollar limit, the pump-as the name says-automatically shuts off*. This feature helps you better manage your fleet costs by giving you tighter control at Island Card Readers (ICRs).

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!

Toyota, Lexus Are No. 1 and 2 in Kelley Blue Book's Latest Shopper Loyalty Rankings
Toyota.com

Lexus' loyalty rating increased 9.2 percentage points year-over-year in Kelley Blue Book's new-car shopper survey for the fourth quarter of 2012, making it No. 1 among luxury auto brands and No. 2 overall. Toyota was again No. 1 overall for the fifth consecutive quarter.

KBB.com said Lexus was 10 percentage points ahead of the next highest ranking luxury brand, Audi, which was ninth overall. "One year ago," it added, "there were only 2 percentage points separating the two brands, so interest in Lexus has significantly increased among new-car shoppers on kbb.com in the last year."

The website attributed much of Lexus' gain in shopper interest to the redesign of the GS, ES, RX and LS models. "Lexus has moved in a bold new direction with its vehicle styling, even creating a signature feature with its unique 'spindle grille,' while also catering to financial-minded shoppers for winning the prestigious title of Best Resale Value: Luxury Brand in Kelley Blue Book's Resale Value Awards," said Akshay Anand, KBB.com's market intelligence Web analyst.

Top 15 Fleet Maintenance Trends in 2013 & Beyond
Automotive Fleet

Vehicle quality continues to improve and extended powertrain warranties have covered some expensive repairs at high mileage. Although quality has increased, vehicles are becoming more complex, especially with the proliferation of new onboard technologies. In this context, here are the top 15 maintenance trends facing commercial fleet managers in 2013 and beyond:

Other segments that Beggs commented on include compact cars, the values of which have held up fairly well compared to previous years. **Beggs said that depreciation for 2012 was only a drop of 10.6 percent, which is still well below the drop this segment has traditionally experienced (15% to 18%).** Still, many vehicles in the mid-size car segment have improved fuel economy and creature comforts compared to previous model-years. Also, fuel economy in this segment is comparable to vehicles in the compact segment. These factors could reduce the resale value of compact cars in the future, according to Beggs.

Ready to Talk about Fleet Management?



\$2175 per car. That is the average savings Doering provided per vehicle in 2012. It's worth your time and attention.

You deserve to understand best practices in fleet management and see the savings and value proposition fleet management provides.

Still thinking? Did we mention - Doering Fleet Management has sold clients' used cars on average 30-40% over popular car valuation tool values. The gains translate to thousands of dollars back to the organizations for mission-based uses, not lining the pockets of dealers.

CLICK HERE TO SPEAK WITH AN EXPERIENCED DOERING FLEET MANAGEMENT REPRESENTATIVE IMMEDIATELY!

IIHS Awards New 'Top Safety+' Recognition to 13 Cars

Business Fleet

The Insurance Institute for Highway Safety (IIHS) awarded a new safety recognition level, Top Safety Pick+, to 13 cars from the 2013-MY.

To earn this new safety recognition level, all these vehicles have earned "good" or "acceptable" scores in IIHS' new small overlap frontal crash test and top ratings in IIHS' other safety tests.

The winners include:

- Acura TL
- Dodge Avenger
- Chrysler 200 four-door
- Ford Fusion
- Honda Accord two-door and four-door
- Kia Optima
- Nissan Altima four-door
- Subaru Legacy and Outback
- Suzuki Kizashi
- Volkswagen Passat
- Volvo S60

IIHS introduced the new small overlap frontal crash test in 2012. The test is designed to simulate what occurs when a car's front corner collides with another vehicle or object.

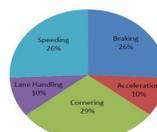
In the actual test, a quarter of the vehicle's front end, on the driver's side, collides with a five-foot-tall rigid barrier at 40 mph. IIHS belts a Hybrid III male crash test dummy into the driver's seat. The organization said it first evaluated luxury mid-size cars and then mid-size moderately priced cars. IIHS plans to release results for small SUVs in the spring.

According to IIHS, a number of automakers made changes to their vehicles to improve safety. Ford and Nissan made structural changes to 2013 models in production. Subaru and Volkswagen changed the airbag control modules on the production line so the vehicles' side-curtain airbags would deploy so they provide additional head protection. Honda engineered its two Accord models to do well in the test as well, IIHS said.

In general, IIHS has tightened its Top Safety Pick criteria since it introduced its tests in 2006. IIHS made "good" rear crash tests results and electronic stability control availability requirements in 2007. **Stability control is no longer a distinguishing feature since federal rules require that feature for 2012 and later models.** Good roof strength became an evaluation metric for 2010-MY vehicles.

GreenRoad Report Details Most Common Risky or Inefficient Maneuvers Fleet Drivers Make

GreenRoad US Driver Safety Score
Event Composition 2012



Escalating Cost of Replacement Tires

Larger Diameter Tires

Shortage of Replacement Tire Inventory

Extended PM Intervals

Higher Cost of Motor Oils

Increased Use of Synthetic Motor Oils

Use of Re-refined Oil and "Recycled" Lubricants

Higher Cost of Replacement Parts

Increased Back Orders for Replacement Parts

Uptick in Labor Costs

National Account Vendors Step-Up Training and Acquire New Diagnostic Equipment

OEMs to Remain Stringent with Post-Warranty Recovery Dollars

NHTSA-Mandated Safety Equipment

Non-Warranty Hybrid Repairs

Enhancing the Driver Repair Visit Experience

An important point to remember: Two-thirds of all fleet maintenance expenses are PM-related or the replacement of wear items, such as belts and tires. **Most component failures result from not performing scheduled maintenance.**

Gas Prices Increasing Earlier This Year Due to Earlier Summer Blend Switch and Higher Oil Prices

Automotive Fleet

Despite predictions of lower gasoline prices later this year, they're still rising nationwide, with an average price for a gallon of regular unleaded gasoline at \$3.75 on Feb. 19, according to AAA's latest Fuel Gauge Report. The report added that this is the highest price on record for that calendar day.

The company said one reason for the jump is due to U.S. refineries performing maintenance and switching to summer blend gasoline earlier in the year, though AAA noted that this shift is the choice of refiners and not due to a change in the deadline to complete the switch to summer blend fuels. Maintenance and the switch mean refineries are offline, which can affect fuel supplies. AAA added that this year higher oil prices are driving up prices as is positive economic news.

Although prices are higher now, AAA expects the peak retail gasoline price to arrive earlier in the year and that the peak price will be lower than the peak price last year.

Prices in all 50 U.S. states increased. The states with the largest increases include Tennessee, up 22 cents; Arkansas, also up 22 cents; South Carolina, up 21 cents; and Mississippi, also up 21

Automotive Fleet

A new report from driver performance management services company GreenRoad provided new data about fleet drivers' safety records and driving habits. The company's 2012 Fleet Driver Performance Data Benchmark Report, analyzed safety performance data for more than 70,000 drivers worldwide.

To start, the report said the risky or inefficient driving events drivers most commonly make include corner handling (29%), harsh braking (26%), and speeding (26%). This is a change from 2011, where drivers' most common risky maneuver was speeding, at 40% of the total. GreenRoad attributes this change to use of its smartphone app, which provides immediate feedback.

Next, the report found that although there aren't any seasonal variations in driver performance, there are variations depending on the time of day. Safety scores show small numbers (and safer driving) during the early morning, with scores as low as 2 (anything under 20 is considered "safe" driving), and as high as 9 during peak, rush-hour periods.

GreenRoad's report also showed that drivers using GreenRoad's service (the 70,000 drivers the company has data for) showed Safety Score improvements going from 29 to 21 in 2012, which is a 28% improvement. Also, GreenRoad said the drivers it's monitoring improved their Safety Scores by nearly 50% within six months.

GreenRoad calculates its Safety Score based on driver performance in five categories, including braking, acceleration, corner handling, lane handling, and speeding.

Toyota and GM Take the Lead in J.D. Power's 2013 Vehicle Dependability Study

Business Fleet

J.D. Power recently released its 2013 Vehicle Dependability Study, which looks at the reliability of three-year-old models (MY-2010) by measuring the problems owners have experienced with their vehicles during the last 12 months. Overall, J.D. Power found that the long-term dependability of three-year-old models has improved year-over-year.

In 2013, the dependability of new or substantially redesigning models for MY-2010 averaged 116 problems per 100 vehicles (PP100), which is a 17-point improvement over MY-2009 vehicles (a lower number indicates fewer problems reported). The study looks at cars, vans and pickup trucks.

J.D. Power added that this is the first year since 2009 that the total number of problems reported actually fell for all-new or redesigned models compared with the number of problems reported for carryover models. **Domestic nameplates averaged 133 PP100 whereas imports averaged 123 PP100.**

In this year's study, nameplates that came out ahead included Lexus, with its RX receiving the fewest number of problems reported and a PP100 score of 57. The Lexus nameplate's overall PP100 score was 71. The other top five nameplates with the fewest number of reported problems included Porsche, at 94, Lincoln, at 112, Toyota, at 112 and Mercedes-Benz, at 115. Chrysler saw the greatest year-over-year improvement with 52 fewer problems per 100 vehicles reported for its MY -2010 vehicles. Its PP100 score was 153.

Toyota received the most awards for long-term dependability, for the Lexus ES 350; the Lexus RX; the Scion xB; the Scion xD; the Toyota Prius; the Toyota Sienna; and the Toyota RAV4. General Motors received four awards for the Buick Lucerne; the Chevrolet Camaro; the Chevrolet Tahoe; and the GMC Sierra HD. Honda received two awards for the Acura RDX and Honda Crosstour. Other vehicles and brands that received model-year awards included the Audi A6, the Ford Ranger, the Hyundai Sonata, the Mazda MX-5 Miata, and the Nissan Z.

J.D. Power said it fielded the 2013 Vehicle Dependability Study between Oct. and Dec. 2012 and received responses from more than 37,000 owners of 2010-MY vehicles who had owned their respective vehicle(s) for three years.

New Illinois Traffic Laws That Went Into Effect in January, 2013

Automotive Fleet

At the beginning of the year a number of new traffic laws went into effect in the state of Illinois, two of them regarding the use of cell phones while driving and a third regarding proper safety procedures following an accident that results in only damage to a vehicle (rather than occupants).

The first new law prohibits cell phone use in construction or maintenance speed zones regardless of the speed limit in those zones. According to the Illinois Department of Transportation, motorists can operate a cell phone via voice-activation (including the use of a headset or cell phones used with single-button activation).

The next law prohibits texting or using a hand-held cell phone while driving a commercial vehicle and makes this a serious traffic violation, making the new law in accord with the Motor Carrier Safety Regulations (MCSR) law that prohibits texting and cell phone use by commercial motor vehicle drivers.

The third law allows the driver of a vehicle that was involved in a motor vehicle crash that resulted only in damage to a vehicle to move the vehicle off the highway to the nearest safe location. Possible safe locations include an exit ramp shoulder, a frontage road, the nearest

cents. The top five highest average prices on Feb. 19 were in Hawaii; at \$4.27, California, at \$4.05; New York, at \$3.93; Connecticut, at \$3.91; and Alaska, at \$3.80.



Trouble budgeting for fleet costs?

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

Toyota Leads in U.S. Clean-Energy Patent

Toyota.com

Many companies talk about being innovative, but Toyota is also walking the talk. For the third straight quarter, Toyota received more U.S. clean-energy patents than any other company. The U.S. Patent & Trademark Office granted Toyota 71 of these patents in the third quarter of 2012, or almost 10 percent of the record total of 798 for one quarter. General Electric was second and General Motors was third, with Honda and Samsung filling out the top five.

suitable cross street, or other locations that won't block traffic. The law states that the driver should remain at the safe location until he or she has fulfilled requirements concerning the duty to give information and provide aid.

According to the Illinois DOT, the previous statute said "Every such stop shall be made without obstructing traffic more than is necessary," and the change clarifies the language in the statute.

All of these laws went into effect on Jan. 1, 2013.

IIHS Data Details Motor Vehicle Fatalities and Causes in 2011

Business Fleet

The Insurance Institute for Highway Safety (IIHS) posted new data on motor vehicle crash fatalities from 2011. In 2011, a total of 32,367 people died in motor vehicle crashes, which is down 30% from 1975.

The majority of these fatalities occurred in passenger vehicle collisions, which represented 66% of fatalities, a total of 21,347 in 2011. This figure is 3% less than in 2010. Out of this total, 59% of those killed were driving cars, 21% were driving pickup trucks, and 18% were driving SUVs.

In terms of the types of collisions where the highest number of fatalities occurred, frontal impacts accounted for 41% of passenger vehicle occupant deaths in 2011 and side impacts accounted for 25%. Rollover crashes made up 35% of passenger vehicle occupant deaths, of which 55% involved single-vehicle crashes and 13% involved multiple vehicles.

Inside the vehicle, 9% of occupant fatalities involved those sitting in the second or third rows, and out of that percentage, 26% was under the age of 13.

Out of the total number of passenger vehicle fatalities, 45% occurred in single-vehicle crashes and 55% occurred in collisions involving multiple vehicles. For vehicles other than cars, however, single-vehicle crashes accounted for 63% of SUV occupant deaths and 64% of pickup truck occupant deaths.

By truck type, 76% of deaths in large truck collisions in 2011 involved tractor-trailers and 25% involved single-unit trucks.

In collisions involving large trucks, 98% of occupants killed when a passenger vehicle and a large truck collide were in the passenger vehicle.

Non-Profit Update

By: Adam Berger

The hustle of the prototypical finance office, the needs of the Community members, and the seemingly constant barrage of other work means we often forget important items that slip through the cracks. With regard to fleet management, Doering will help you focus on these items here and now:

- 1. Motor Vehicle Record Checks (MVR):** You, your fleet manager or your insurance carrier should be running motor vehicle record checks on each lay driver who utilizes organization vehicles. Services such as PARS do so also and alert you when there is a notice on a driver. You are then empowered to act on it. Depending on the severity, your reaction will fall between "no reaction" and "dismissal" on a continuum. You are encouraged to have a strong driving policy that addresses this and notes the process of analyzing and reacting to infractions such that treatment is consistent, no matter the situation. With the drivers' personal information, which you should have updated in your system already, you should be able to contact the local Department of Motor Vehicle office and they often have an automated system. Many organizations use this as part of the hiring process for new lay staff as well.
- 2. Driving Policy:** Please remember to perform annual acknowledgements to your fleet driving policy, having each driver reauthorize the document and acknowledge understanding and adherence to the policy. This not only helps manage risk, but is a constant reminder that adherence to the policy is expected and those violating the policy are subject to consequences. Doering can help perform comprehensive audits and reviews of driving policies based on the best practices and modern technological devices and legal standards.
- 3. Negligent Entrustment:** Maintain vehicles well such that they do not pose a safety risk to other drivers on the road or pedestrians. Your drivers, lay or vowed religious, when utilizing an organization vehicle are extensions of your organization and liabilities to the organization based on their behavior. Accidents and incidents contribute to insurance costs but, at worst, can cause serious injury and death in others and the organization can be found liable for negligent entrustment of an automobile to someone who should not have been driving it. This speaks to age, driving ability, reaction time, sight, hearing, medications, neurological conditions, mental health, vehicle condition and maintenance and more.

Please contact Doering Fleet Management with any questions. We are advocates for and consultants to our clients, not car dealers, not

transactional bankers. We are holistic fleet managers proactively managing your fleet.

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.

This eZine provided Doering Fleet Management.

Please call me directly with any questions at 1 - 312 - 320. We are advocates of educating -- you and ourselves. We are 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
1 - 312 - 320
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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