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DOERING LEASING CO.

DOERING FLEET MANAGEMENT eZINE

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FUEL MANAGEMENT

Save 10-15% on fuel!

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

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

Issue: # 29

September 2011

Dear Adam,

HAPPY FALL! Happy 2012 Model Year.

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

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

Come on in! There's much to share.

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

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

IF NOT, E-MAIL DOERING NOW FOR A FREE NO OBLIGATION, INITIAL CONVERSATION AND EDUCATION. A talk never hurts!



Evolution Of The Auto Business Since 2007- Decontenting, Price Hikes, and Decreased Incentives

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!

DOERING LEASING CO.

Trouble budgeting for fleet costs?

WE CAN HELP.

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

Doering Leasing Co. and other reputable long standing leasing firms continue to operate with availability to capital for credit-qualified clients in the same method and has been used in the fleet industry for over 70 years. Residual values are set accurately to reflect market conditions.

DID YOU KNOW DOERING OFFERS:

MANAGED MAINTENANCE PROGRAMS

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

FUEL CARD PROGRAMS

Help track fuel outlays nationwide by driver and by vehicle, monitor fuel economy, grade of fuel purchased, and collect accurate mileage on vehicles in real-time.

A. Berger

Auto executives have been in survival mode. In doing so, they have raised margins, reduced content in some cases, and changed pricing structure. The intent has been to improve margin through the increase in vehicle invoice cost to dealers and reduction in options included in a base model car. A 2011 Toyota Camry includes a power seat. While in 2012, it is a \$440 option. Fleet year-over-year price increase for the Camry Le 4-cylinder is \$757. Increase cost of new vehicles combined with limited supply of new vehicles from the factories and the "Lehman Effect" on used cars means the used car and truck market will be very robust for several more years, likely well into 2013.

The 2012 Camry Launch Gives Toyota A Chance To Regain Buyers' Trust

Automotive News

Toyota debuted the six model grades of the MY-2012 Camry and Camry Hybrid. The four-cylinder Camry boasts an EPA-estimated 25 mpg city/35 mpg highway, the V6 21 mpg city/30 mpg highway, and the Hybrid 43 mpg city/39 mpg highway/41 mpg combined.



The Camry is one of 10 new or redesigned Toyota and Scion products that will arrive by the end of next year, Asking Bill Fay, Toyota Marketing Chief:

How does marketing the Prius change as it moves toward being its own brand?

Long-term, I think we're going to do a lot of learning as we develop the awareness that we have for four Priuses. Prius V is for those who want more car and more versatility, and they have environmental tendencies, but the current Prius is not big enough for them. So we will see more families, but we won't take much [sales volume] from the current Prius. With the Prius C we're doing clinics and focus groups, so we'll know more in 30 to 45 days about how we want to market it. Clearly, we're aiming at

Drivers need not carry credit cards or go out of their way to find a particular brand of fuel! The program works at 98% of all gas stations! This system feeds data to the maintenance management program such that the fully integrated fleet management strategy is most successful.



NATIONWIDE TITLE AND REGISTRATION MANAGEMENT

ACCIDENT MANAGEMENT

DRIVER TRAINING AND MOTOR VEHICLE RECORD TRACKING

AND MUCH MORE!

WE'LL ASK AGAIN! MAKE SURE YOU KNOW!

NON-PROFIT FLEET MANAGEMENT UPDATE

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

The intention is to focus on core competencies.

Sometimes your champion must turn you around and tell you "you're fighting the wrong battle - the bigger issue is that-a-way." There is a monumental opportunity cost to your time spent on non-core projects in lieu of key

a younger buyer who wants something more sporty with more mpg, and we can deliver that. So it's expanding our footprint, and of course there's the plug-in.

How has the Toyota brand's public perception changed one year after the recall crisis? What is Toyota still doing to court public perception via marketing?

We measure brand imagery on a monthly basis. In general terms, we look at the overall market as well as Toyota owner and intenders. We have made tremendous progress on all three fronts, through a combination of paid media, unpaid media, marketing and philanthropic efforts.

A lot of things at work have moved us in a much better direction than people expected. We have a lot of powerful messaging around third-party claims. We have talked about improvements in initial quality and the 16 Toyota and Scion vehicles on Consumer Reports' recommended list, and then Intellichoice value awards. We have put those awards into good campaigns over the year. The "No.1 for a Reason" campaign was an effort to talk about those claims that reinforce quality, dependability, reliability and safety.

I would say with our owners, we're almost back to where we started. With intenders, there is still some work to be done, but the timing of the cadence of Prius and Camry will let us close the gap somewhat.

How long until Toyota has put this crisis behind it with consumers?

It's hard to put it on a timetable. With some people, we're already there. With some others, the perception of Toyota, what we went through and what was communicated, is going to take a little bit longer, so as we go through the product cadence, we will be talking about having 10 airbags in the Yaris, blind-spot monitoring systems, Prius technology and innovation, fuel efficiencies and low cost of ownership. It's how we build the brand, and it's how we're going to build the brand back again.

Extended Vehicle Cycle Times From Lean Years Must Be Dealt With Swiftly

A. Berger

When revenue is uncertain, vehicle replacements tend to wane. In slowing the pace of vehicle replacements (extending cycle time), fleets incur increased maintenance costs, downtime, and dissatisfaction among staff and customers. In the end, it is justifiable if the business continues to thrive as a result of cutting expenses in proportion to decreased revenue. That said, in advance of/or in concert with rising revenues and demand, businesses must (repeat that "must") implement a strategic vehicle replacement strategy of the aged units in an effort to regain some semblance of a systematic vehicle cycling program.

"It need not be double the pace, but there must be a strategy to catch up over a period of 2-3 years so the problems do not persist into perpetuity."

It is frighteningly common that the fleet managers at Doering see

financial responsibilities. Chief Financial Officers, Treasurers, and Controllers should employ their time in the most effective ways possible.

THIS MONTH:

Doering is scheduling appointments for the

2011 RCRI conference.

Be sure to stop by the booth this year. Please submit any questions you wish to discuss to info@doeringleasing.com and we will be prepared to discuss during the show or during the breaks.

We are scheduling meetings as well during non-exhibition hours and look forward to speaking with you further about your needs/questions/problems.

REMEMBER:

Just because the problem is out of sight doesn't mean there is a clear road ahead. In fact, unless a fleet is actively managed, there is always room for improvement.

NADA

Although new vehicle sales are well off the 13-plus-million unit pace seen at the beginning of the year, August's tally was one of few economic bright spots in an otherwise dark month. August new vehicle sales reached 1.07 million units, which was 1% greater than July's tally and an 8% improvement over last August. August's SAAR (Seasonally Adjusted Annual Rate) of 12.1M was down slightly from July's figure of 12.2.

Ford: Radar-Based Collision Avoidance

organizations with 8-12 year old vehicles they haven't taken the time to deal with because there are always other battles. Aware of the incorrect prioritization, but with little expertise in illustrating or visualizing what it takes to get out from under the problem they find themselves in, a fleet manager/CFO knows not how to proceed, so they most commonly do nothing which inherently delays or exacerbates the problem. Do you ever see this?

Example:

Anot-to-be-named company currently has 30 late 1990's Chrysler, Ford and Dodge vehicles which cost nearly what they are worth on an annual basis to keep working. They now need \$600,000 in new vehicles immediately, but this could be systematically prevented going forward , by means of a solid cycling strategy that allows for stretching cycle time so long as there is a reciprocal plan to cinch it back in.

"The key is awareness of the situation and discipline to fix it."

CLASH OF THE EURO TITANS

Automotive News

Mercedes-Benz wants to return to No. 1 in global premium car sales; BMW and Audi have other plans.

Audi invested more than \$14.4 million, to secure its largest ever presence,-just over 75,000 square feet of exhibition space,-at Germany's biennial megashow.



The epic clash among Germany's premium-car heavyweights always reaches a new level when the three meet at the world's biggest automotive circus. But something feels different-something larger is at stake. With ambitious plans for model proliferation, higher volume targets and increased production the three automakers are laser-focused on topping each other.

The race to be this year's global leader in premium-car sales is as tight as ever with Audi poised to pass Mercedes in full-year sales for the first time. If that happens, Mercedes will drop to No. 3 in the global premium brand ranking. It has been No. 2 since being knocked off the top spot by BMW in 2005.

All three brands increased global unit sales in the first half of the year. Mercedes' sales were up 10 percent to 610,531; and BMW brand was

Is Hot-Selling Option

Does safety sell? Ford thinks so, but hindsight is 20/20 too. It says it's selling three times as many options packages on its latest vehicles that use radar to keep vehicles from striking each other than it had expected.

NEW VEHICLE HIGHLIGHTS FOR 2012

2012-MY Silverado to Offer WiFi Option

Called Chevy WiFi, this system can provide full Internet access to multiple users inside the vehicle and within a 150-ft. radius around it.

Nissan NV

Cargo may be king in the commercial-van segment, but Nissan hasn't forgotten about the driver with its new NV. Optional equipment includes a power driver's seat, navigation, rear parking sensors, a backup camera, and a USB audio input. Based on Titan mechanicals, the NV offers the choice of a 261-hp V-6 or a 317-hp V-8 in either standard or high-roof configuration. The strongest NV can haul up to 3925 pounds and tow nearly 9500 pounds. Available now at a cost of \$25,930/\$28,970 (low-/high-roof).

Toyota Prius V

The Prius V is the first step in franchising the Prius name into a brand of high-mileage hybrids. The V uses the same general shape and an identical 134-hp hybrid powertrain as the Prius, but it's stretched 6.1 inches to accommodate rear seats that slide and recline and to give it more cargo space. The additional weight and less aerodynamic shape take their toll on the EPA fuel-mileage rating, which drops from 51/48 mpg

No.1 with an 18 percent rise to 689,861.

Daimler CEO Dieter Zetsche is not happy about Mercedes' decline. He has vowed to be more aggressive.

"Some of our competitors are now growing faster and more profitably than we are. We can't be content to be in a solid second or even third place: We are Daimler. We should be far ahead of the pack! And if that requires something that we don't currently have, then we'll identify and develop it," Zetsche said in a letter to Daimler employees in July.

The next big year: 2020

Audi CEO Stadler is aiming higher. He recently announced that Audi plans to sell 2 million units annually by 2020, adding that the automaker will reach 1.5 million sales by 2014, which is one year ahead of schedule.

BMW makes a big switch

BMW also has big plans to expand its lineup.

The biggest contributor to BMW's future profile will be its so-called Untere Fahrzeugklasse, or UKL, architecture. The German name means "lower vehicle class."

"With the UKL alone, there will be six to nine new models in the coming years." Robertson said without giving more details.

Output increases

Audi is the best-positioned premium brand in China, which will be the automaker's single-biggest sales market as of this year. "We have to expand our current capacity of 300,000 units in the next few years," Audi CEO Stadler said. "It took Audi 22 years to sell the first 1 million vehicles. We'll sell the second million in just three years, between 2011 and 2013.

The rest of the pack

"The race for premium-marketing leadership will only be decided among the Germans," Lehne said.

WHAT DOES FLEET MANAGEMENT REALLY MEAN?

Fleet (vehicle) management can include a range of functions, such as vehicle financing, vehicle maintenance, driver management, vehicle policy administration, speed management, maintenance management, fuel management and health and safety management.

Fleet Management is a function which allows organizations that rely on transportation to remove or minimize the time and risks associated with vehicle investment, improving efficiency, productivity and reduce overall transportation and staff costs, providing compliance with government legislation (duty of care) and many more. These functions can be dealt with by either an in-house fleet-management department or an

city/highway to 44/40 mpg.
Price is \$27,000 (est.)

Ford Drops SYNC Price, Expands Its Availability Across Lineup

Ford dropped the price of its SYNC system by \$100 and is increasing its availability on a range of models. A Ford spokesperson said this price drop applies to fleet vehicles with SYNC as well as retail. The company said that during the next three years, it plans to introduce its new SYNC pricing and related options across its entire North American Ford vehicle lineup.



Ford stated the new pricing will be available first on the 2012 Ford Explorer and Edge base models. Customers who choose SYNC will pay \$295. The system was previously priced at \$395.

GM Cutting Truck Output in Indiana, Adding Shifts at Michigan Plant

General Motors Co. (GM) will extend a temporary shutdown at its full-size truck plant in Indiana and add shifts to a pickup factory in Michigan to improve the balance of inventory on dealer lots, according to Bloomberg.

Fort Wayne Assembly, which makes Chevrolet Silverado and GMC Sierra pickups in Roanoke, Ind., will close the first week of January in addition to the last week of December, Rich LeTourneau, shop chairman at United Auto Workers Local 2209,

outsourced fleet-management provider.

According to market research from the independent analyst firm, Berg Insight, **"the number of fleet management units deployed in commercial fleets in Europe for example will grow from 1.5 million units in 2009 to 4 million in 2014!"**

Have you considered the pro's and con's, the value proposition, and your needs? We suggest not burying your head in the sand in any area of organizational/financial planning. The current way is not necessarily the right way. Doering spends an inordinate amount of time each month writing and selecting great articles for a great newsletter.

- Adam Berger

The Lehman Time Bomb-Used Car Values and Why It Matters To You

Automotive News

3 years after the crash. The pipe line for used cars slammed shut.

When Lehman Brothers collapsed three years ago this month, new-car sales did, too.

So, starting this month, the shortage of late-model used cars already causing used-vehicle prices to soar- will worsen dramatically because so few three-year leased cars are returning.

Only 90,000 leased BMWs are returning this year, for example, compared with 146,000 in 2008.

Dealers are having trouble getting enough used cars and the short supply means used-car prices are bumping up against some new-car prices. For example, kbb.com lists a used 2008 Chevrolet Malibu LTZ with 23,000 miles at \$19,950 ,and a comparable new 2012 Hyundai Sonata GLS at \$22,450.

And things will stay that way because **"years of far-below-trend new-car sales mean tight supplies of used cars until 2014 or later if the economy doesn't pick up."**

Jonathan Banks, an analyst at NADA Guide, said returns of three-year leases will be low in the fourth quarter.

The short used-vehicle supply is a problem for dealers because they depend more than ever on used-vehicle volume to make up for low new-vehicle sales.

NADA Guide says used-vehicle supplies will fall 5 percent this year and another 4 percent in 2012. ALG says supplies will hit rock bottom in 2012 and 2013 and won't return to 2008 levels until 2017.

Counting only 3-year-old used, kbb.com sees the bottom 12 to 18 months out.

according to Bloomberg. Saturday shifts at the plant have been canceled for the rest of the year, he said.

- *Work Truck Online*

Obama White House Sets Fuel-Economy Targets for Heavy-Duty & Vocational Vehicles

The Obama administration announced new fuel-economy and emissions standards for heavy-duty trucks and buses, heavy-duty pickup trucks and vans, and vocational vehicles.

[From Doering: Read Between the Lines - Commercial Vehicles Will Get Much More Expensive in the 2014 MY and 2013 will show tight supplies.]

The new fuel-economy and emissions standards will go into effect beginning in MY-2014. The program will include a range of fuel-economy targets specific to vehicle type and application.

Vehicles are divided into three categories: combination tractors (semi-trucks), heavy-duty pickup trucks and vans, and vocational vehicles.

Certain combination tractors (big rigs or semi trucks) will be required to achieve up to approximately 20 percent reduction in fuel consumption, and greenhouse gas emissions by MY-2018.

For heavy-duty pickup trucks and vans, the program requires separate standards for gasoline-powered and diesel trucks. 15 percent reduction in fuel consumption and greenhouse gas emissions by MY-2018. Lastly, vocational vehicles,

"We won't bottom out until late 2013," Greg Russell national risk manager for Toyota Financial Services, counting up to 5-year-old vehicles. "It may be a decade until we return to the supply of used vehicles we once had."

Less auction action

With dealers keeping almost every used vehicle traded-in, auctions are being hit hard. And dealers also are more willing to buy used vehicles online and outside of the traditional auction channel.

Auction operators are consolidating sites and buying competitors. In June, privately held Manheim, the nation's largest auto auction company, closed half a dozen auctions. It now has 73 North American auction sites.

"On the flip side, we don't expect prices to drop off dramatically either," he said.

Projected residuals on 3-year-old off-lease vehicles at mainstream brands are 48 percent of retail value so far this year, up from 45 percent in the first eight months of 2008, Lyman said.

[FULL ARTICLE CLICK HERE](#)

Ready to Talk about Fleet Management Yet?



\$1910 per car. We're talking about a lot more than pennies! That is the average savings Doering provides per vehicle. It's worth your time and attention.

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

Still thinking? Did we mention - Doering Fleet Management has saved the average organization an estimated \$1910 per vehicle in 2011 in addition to all other services and value provided!

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

In-Wheel Motors Could Reshape Cars

Automotive News

Technology has potential to change design and power train.

including delivery trucks, buses, and garbage trucks, will be required to reduce fuel consumption and greenhouse gas emissions by approximately 10 percent by model-year 2018.

August Output Rises 10%

Automotive News

North American vehicle production in August rose 10 percent from the year-earlier month to 1,228,736 units. It was the 22nd consecutive month with a year-over-year increase. The previous longest streak was 20 months in 1993-95.

Car production climbed 11 percent in the United States and 14 percent in Mexico but fell 8 percent in Canada. North American car output rose 8 percent.

Truck output rose 14 percent in the United States, slipped 2 percent in Canada and rose 14 percent in Mexico. North American truck production rose 11 percent.

Vehicle output rose 13 percent in the United States and 14 percent in Mexico but fell 5 percent in Canada.

WHO AM I ??????



Please submit all answers to info@doeringleasing.com

A winner will be chosen among the correct answers and will be awarded a \$20

The white Vauxhall Vivaro van, its diesel engine rumbling, groans to a stop at a suburban Detroit stoplight.

Tom Prucha, Protean Electric Inc.'s engineering executive, is behind the wheel, Protean makes in-wheel electric motors and the Vivaro he's driving has motors in both rear wheels.

At the stoplight, Prucha presses a button on the instrument panel. The diesel engine goes silent. When the light turns green, the Vivaro, now powered solely by the in-wheel electric motors, accelerated quickly and smoothly, more like a sports car than a commercial van.

Although in-wheel motors aren't revolutionary, Ferdinand Porsche unveiled a vehicle with them at the 1900 World's Fair in Paris, they have the potential to change how vehicles are powered and designed. As automakers pursue electric drive-trains to improve fuel economy and cut emissions, two avenues are liked using in-wheel motors:

1. Using them as a vehicle's sole power source, which could lead to radical redesigns of interior vehicle space.
2. Using them in tandem with an internal combustion engine, either to boost mpg or increase available power for performance vehicles.

Changing vehicle design

The in-wheel motor's largest impact could be on design, says Mark West, chairman of the Transportation Design Department at the College for Creative Studies in Detroit.

"If you take the motor out of the traditional location in the vehicle architecture and put it out in the wheels, you get that space that the engine used to occupy," West said. "So it opens up opportunities to rearrange the package of the vehicle."

West said that the extra space could be used for storage or steering.

Still, several challenges remain, including the weight and cost of the motors, before in-wheel motors gain widespread use, says Brett Smith, co-director of the manufacturing, engineering and technology group at the Center for Automotive research in Ann Arbor, Mich.

The bad news is each corner module gets a lot heavier and that creates vehicle dynamics challenges," Smith said. "

Early efforts

In addition to the Vivaro-which can be powered solely by its engine, its electric motors or as a diesel-electric hybrid- Protean has produced several other prototypes, including an electric Ford F-150 pickup, with four in-wheel motors, and a Volvo ReCharge plug-in hybrid concept that features a top speed of over 120 mph.

While the company's in-wheel motors have yet to hit the market commercially, Protean's short-term focus will be on retrofitting fleet and commercial vehicles with in-wheel motors to improve fuel economy and performance, CEO Bob Purcell said.

fuel gift card.

GAP By Numbers

Automotive News

GAP is the term for owing more on a loan/lease than the vehicle is worth. If a vehicle is totaled, the insurer will pay cash value, however that does not always cover the full loan payoff...Thus a GAP exists.

How has GAP insurance acceptance changed in the past year (or from the first half of 2010 to the first half of 2011)?

- ~Increased significantly-3%
- ~Increased moderately-33%
- ~Stable-52%
- ~Decreased moderately-8%
- ~Decreased significantly-3%

Nissan: Electric Vehicle (EV) Battery Repairs Won't Break The Bank

Automotive News

Tokyo- Nissan Motor Co., aiming to allay concern about high replacement costs for the Leaf electric car's lithium ion battery, says such repairs will run into the hundreds, not thousands, of dollars.

That's because fixing a damaged battery likely would require swapping out only certain modules, not the whole battery pack, Vice President Simon Sproule says.

"Really, you are going to focus on the modules, and the modules are going to be in the hundreds, not the thousands of euros or dollars, because if there is going to be a failure, it's more likely to be an individual module, not the whole battery pack," he says.

The Leaf's lithium ion battery pack is made up of interchangeable modules that house individual cells. Nissan expects most customers to keep Leaf's about five years, Sproule says. At that point, the battery is still expected to have about 80 percent of its original capacity.

Sproule didn't deny that continual quick-charging could damage the battery, and didn't say how much is too much. But he implied that the typical driver doesn't have to worry about it. "If somebody uses that fast charging system every day, that means they are driving about 200 miles a day, which on an annual basis is over 70,000 miles" Sproule said. "There aren't many people that drive 72,000 miles a year in any car, so it's an unlikely scenario that somebody is charging fast-charge every single day."

Instead, the anticipated recharge pattern will be topping off the battery through a slow charge at night. Said Sproule: "The durability of the batteries is not going to be a weak point for the car."

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 by Doering Leasing Co. and Doering Fleet Management.

Sincerely,

Adam Berger
VP of Sales
Doering Leasing Co.

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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