LEASING ASSOCIATES
Fleet Management Since 1958

5 THINGS EVERY BUSINESS SHOULD KNOW BEFORE THEY BUY OR LEASE THEIR VEHICLES

When making the evaluation to lease OR buy your company's vehicles, there are many factors to keep in mind. Read more on leasing vs. buying.

1. FINANCES

Leasing a vehicle means you only pay for the portion of the car or truck that you use, where you can lease to own, or lease and replace, which usually results in a lower monthly payment. There are two different types of leases:

- **OPEN-END** These are flexible with no mileage restrictions or penalties. Vehicles can be turned in after a minimum of 12 months.
- **CLOSED-END** These leases have mileage restrictions and are good for businesses that want to budget and operate vehicles that have low mileage requirements.

Purchasing requires that you pay for the entire cost of the vehicle, either through cash or by financing. This will usually result in a higher monthly payment.

2. MAINTENANCE

With leasing, there is a dedicated fleet department that will be on call to handle repairs and maintenance. When a driver goes to one of our national vendors, they will get fleet discount pricing with the advantage of having a fleet maintenance expert on call, to mitigate unnecessary upselling.

If you purchase your vehicles, your company will have to keep track of receipts and keep drivers on track to adhere to routine maintenance.

3. CONSULTING & SUPPORT

With Leasing vehicles, your account manager is only a phone call away and will handle or track down anything pertaining to your fleet. For Example, your fleet account manager knows when all the order banks open for major OEM's such as GM and Ford and will get your vehicles allocated and ordered.

With purchasing, your company will have to visit dealerships or search online for vehicles and must remarket them when it's time to replace. With leasing there is wide variety of options for recycling such as using our national auctions that usually get the best price and handle transportation.

4. DEPRECIATION

Vehicles depreciate as mileage increases, whether the vehicles are owned or leased. With leasing there are fleet discounts and incentives. With leasing, monthly payments will be less. Also, the fees for tax, title, & license, and any necessary upfitting are rolled into the lease and require less upfront capital, giving your company the option to use that cash in other places such as hiring, marketing, or other core business functions.

If you choose to purchase, there is the advantage of earning equity and the depreciation is tax deductible. On the flip side, purchasing ties up a huge amount of capital that could be used to grow the business in other areas.

5. VEHICLE LIFECYCLE, REPLACEMENT & REMARKETING

Vehicle remarketing and replacement are a part of a fleet management vehicle cycling strategy. This is a plan a fleet leasing company can help put together to keep costs under control while recycling at most favorable intervals.

Purchasing requires the company to create these guidelines and adhere to them which can cause more workload for operations and drivers.

LEASING	OWNING
Only Pay For The Portion Of The Vehicle You Use	Pay For The Entire Cost Of The Vehicle With Cash Or Finance
Fleet Incentives And Lower Acquisition Cost	Requires Higher Investment $$ To Acquire Vehicles
Lower Monthly Payments	Higher Monthly Payments
Save On Fuel And Maintenance	Higher Maintenance Costs
Help With Vehicle Recycling And Replacement Strategies	Require Internal Time And Effort To Keep Up With Vehicles
Simple Way To Upgrade To Newer Models	Vehicles Are Cycled Less Often Because Of High Investment Costs
We Take Care Of Vehicle Disposal	Owner Must Arrange For Vehicle Disposal
Spend Less Time On Administrative Tasks	Owner Is Responsible For All Tasks Being Done In-House
More Cash Flow Flexibility	More Budgeting And Forecasting Costs