



MINIMIZE RISK THROUGH LEASING

The business world is full of unknowns, but there are several ways leasing can help managers minimize transportation-related risks so they can focus on their core competencies.

Penske Truck Leasing provides a range of services, including helping customers spec the right vehicles and maintaining them throughout the life of the lease. Here are a few of the ways a full-service lease helps companies minimize risk.

CONTROL COSTS

Leasing provides a lower upfront capital investment and predictable monthly payments, which ensures there are no surprises that negatively impact your budget. "We've

established what the financing costs are so there is no concern on what the long-term costs are going to be," said John Gorey, chief financial officer of Foundation Building Materials and a long-time Penske customer.

Along with greater predictability, leasing provides increased visibility into overall life cycle cost, allowing you to make more informed decisions regarding your future equipment needs. "It is the hidden costs that are hard to measure, but they make a difference," Gorey said. "It is one less thing you have to budget

for.” Leasing also frees up capital for use in a company’s core business.

IMPROVE SAFETY

As part of an overall transportation solution, Penske provides a comprehensive maintenance approach throughout the term of the lease. A rigorous preventive maintenance program ensures that the equipment is reliable and doing the job it is intended to perform, from the vehicle’s in-service date until the end of the lease. That, in turn, helps you attract qualified drivers, promotes your brand, increases customer satisfaction and improves safety.

“The one thing I can feel fairly comfortable with is I’m not having accidents because I have improperly maintained equipment,” said Doug Hanby, chief operating officer of United Furniture Industries.

Safety also protects the brand, reduces reputational risk and can limit liability. If you don’t have a full-service maintenance operation covering your equipment, you’re exposing yourself to potential litigation liabilities. When you have a reputable third-party provider maintaining the equipment and documenting every repair, you have something of substance to fall back on.

To ensure your entire fleet is optimized and running safely and efficiently, Penske offers comprehensive maintenance programs for customer-owned vehicles that still have a remaining useful life.

INCREASE UPTIME

If today’s high-tech vehicles are not properly maintained, a carrier or private fleet operator runs a higher risk of vehicle breakdowns, incidents or accidents. At a minimum, improper maintenance can result in missed customer deliveries and may tarnish your reputation. If left uncorrected, the consequences can be significant, including reductions in customer loyalty and associated economic drains on cash flow and growth revenue.

Numbers to Know, 2015

2,318,264

Total number of vehicle inspections

3,803,517

Total number of vehicle violations

653,479

Total number of vehicle OOS violations

Source: FMCSA, Motor Carrier Management Information System (MCMIS), data snapshot as of January 29, 2016.

In reality, even the best-maintained vehicle may need service or repair while on the road. Penske, through its dedicated, company-owned 24/7 roadside assistance group, provides hands-on experts to communicate with your driver as well as update your management team throughout the process until your driver and equipment are rolling again. In instances where the vehicle is temporarily inoperable, Penske provides a comparable substitute vehicle from its fleet of late-model units to minimize any disruptions to service.

If a replacement vehicle is necessary, the speed of delivery is crucial. “They are always responsive to get us a new substitute tractor,” Gorey said, adding that the response time ensures the company is not late for deliveries.

What’s more, Gorey pointed out, without the lease, the company would have to maintain backup equipment, which would add cost.

PROTECT CSA SCORES

Over 2 million commercial motor vehicle inspections are conducted every year throughout North America, the Federal Motor Carrier Safety Administration reported. A well-maintained vehicle minimizes the risk of a violation at a roadside inspection, which helps companies

maintain their scores as part of the Federal Motor Carrier Safety Administration's Compliance, Safety, Accountability (CSA) program, which calculates fleets' safety ratings and determines which fleets warrant intervention.

Not only is an intervention time-consuming and potentially costly, a portion of CSA data is public and can be viewed by customers, shippers and potential employees.

CSA scores are becoming more important to drivers as inspections now follow drivers for three years as part of the FMCSA's Pre-Employment Screening Program. While a number of violations ultimately come down to the driver's responsibility, some are dependent on the carriers and private fleet operators, which is making some drivers more selective about who they will work for. Private fleet operators with the best maintenance ratings are more likely to attract qualified drivers while simultaneously improving their CSA scores.

OBTAIN THE CORRECT EQUIPMENT

To optimize operations and efficiency, it is important to spec the right vehicle for the application.

Penske Truck Leasing will sit down with you to examine historical data and understand routes, capacity, drivers and freight, ensuring everything is covered. With the facts in hand, Penske works with Original Equipment Manufacturers (OEMs) to build vehicles for optimal performance

and fuel efficiency that meet your exact needs. Penske has the experience and expertise in multiple industries to find the right equipment for the job.

Full-service leasing also provides flexibility in the number of vehicles a company keeps. Whether it's new customers and unexpected growth, or just your busy season, you can easily and cost-effectively supplement your fleet with our rental trucks. Penske lease and contract maintenance customers enjoy discounted rates on Penske truck rentals.

Penske proactively supports you when you experience changes in your operations or increased customer demand.

STAY COMPLIANT

Penske also monitors regulations, which helps ensure the equipment you are running is in compliance with state and federal regulations. "Smog requirements for our older vehicles change every year. They're pretty good at keeping us in the loop if we have to get rid of equipment or transfer it to another state. It helps us keep up with our fleet," Gorey said.

FOCUS ON YOUR CORE COMPETENCY

If your business is like many others, transportation is not your core focus. Utilizing a lease helps you minimize the amount of time you spend managing and monitoring the transportation side of the business. Let Penske Truck Leasing do what it does best: take care of your fleet.



Rental
Leasing
Logistics

About Penske Truck Leasing: Penske Truck Leasing Co., based in Reading, Pennsylvania, is a partnership of Penske Corporation, Penske Automotive Group, General Electric Capital Corporation and Mitsui & Co., Ltd.

Penske operates more than 240,000 vehicles and serves customers from more than 1,000 locations in North America, South America, Europe, Australia and Asia, with full-service truck leasing, contract maintenance, commercial and consumer truck rentals, used truck sales, transportation and warehousing management and supply chain management solutions.

**Find out how Penske Truck Leasing can help your company minimize risk.
Call 888-234-4201 or visit pensketruckleasing.com**