

Which vehicle and why?

Discover the most effective vehicles to run for your business.

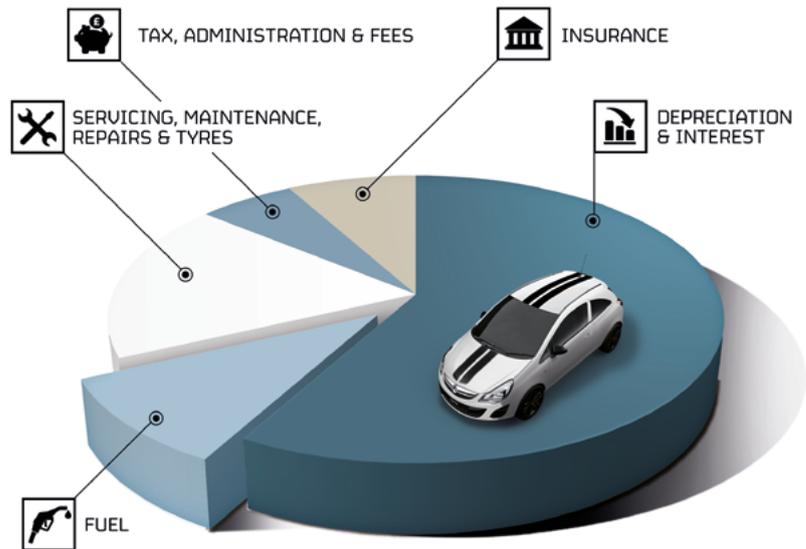
Having considered how to fund your company vehicle(s) the next important choice is the make and model. Whether one or two vehicles or a fleet, the key factors that affect the real cost to your business are the same. These include fuel choice, engine size, the tax implications and how each vehicle will be used. Most importantly, it is vital to consider whole life costs, not just acquisition – because this holistic approach will reveal that the cars you expect to be more expensive often aren't...

Many businesses offer company cars to their employees based on a contract hire rental limit, or a P11D (taxable list price) limit. This is a simple approach that seems fair, however these measures don't take into account how well a vehicle holds its value, how fuel efficient it is, whether it has a low CO2 (affecting the business and its drivers), its ongoing maintenance and repair costs and its suitability for the task. Individual drivers will also have an impact as poor driving style can exacerbate fuel and maintenance costs significantly – even if accidents are avoided.

“It makes sense to get advice from a fleet specialist.”

The bottom line is that all of these elements have a financial implication and two cars with a similar list price can have a dramatically different whole life cost. To avoid confusion, and ensure you make the best and most cost-effective choices for your business, it makes sense to get advice from a fleet specialist. They will use tailored software to take into account all of your preferences and show you a range of options, as well as exploring how different choices impact the results.

It's worth knowing that fleet specialists refer to 'TCO' which stands for total cost of operation and captures all costs associated with financing a vehicle including funding, maintenance, insurance, business mileage reimbursement



(reflecting the true economy of the selected car), employers NI for the car benefit, VAT and corporation tax reliefs. This is the most scientific way to select vehicles for your fleet, potentially offer choice to your drivers, and ensure a true cap on costs.

A typical example from Lombard Vehicle Solutions illustrates the possible variety of options. A search returns 34 possible vehicle choices from 10 manufacturers including BMW, Mercedes, Mini, Ford, Vauxhall and Skoda. All meet set parameters and have a similar monthly finance

cost however the difference in cost of operation is 15%.

If you're still not sure, consider this. Two similar specification cars, from the same manufacturer, the same engine size, the same monthly rental, with a difference in TCO cost over a three year period of a staggering £2,400. And that's just for one vehicle...

“Whether one or two vehicles or a fleet, the key factors that affect the real cost to your business are the same.”

Ensuring your hard-earned business cash is spent most effectively is important and guidance from an impartial vehicle management specialist makes a real difference. You may also discover that the vehicles you can afford are even more attractive than expected.

If you would like to find out more about what Lombard Vehicle Solutions could do for you, or would like to see our vehicle special offers, please click [here](#).

Security may be required. Product fees may apply.

