

THE FLD WHITEPAPER SERIES

FOUR THINGS FLEETS SHOULD LOOK FOR TO ENSURE THE EASIEST REMARKETING PROCESS



FALL 2022



FLD
Remarketing
Remarketing Without Risk.

The logo for FLD Remarketing features the letters 'FLD' in a bold, blue, sans-serif font, enclosed within a stylized circular graphic composed of two overlapping arcs in blue and orange. Below the logo, the word 'Remarketing' is written in a blue, sans-serif font, and the tagline 'Remarketing Without Risk.' is written in a smaller, italicized, blue, sans-serif font.

THE FLD WHITEPAPER SERIES

Like many American workers, today's fleet professionals are being forced to do more with less. Less resources to commit to get things done in a timely manner. Less staff to handle vital and important tasks. And less money to make it all happen. These are problems that have only gotten worse as businesses learn to survive in a post pandemic world. It's a time when most fleets are being forced to simply find new and inventive ways to make life easier, and their people more productive.

One of the ways fleets can achieve this goal is to find service providers who can help them optimize their operations and business functions. Experienced partners with the expertise to help them avoid pitfalls and maximize resources, especially when it comes to remarketing vehicles and equipment. A time consuming, often laborious process that's not only a drain on your staff, but a hassle that disrupts the harmony and business flow you've worked years to perfect.

To help fleets avoid these pitfalls, FLD has compiled a list of four things fleets should look for in a remarketing partner to make their lives easier, their people more productive, and their operations more efficient.



FIND A PROVIDER THAT CAN ELIMINATE RISK BY PURCHASING YOUR ASSETS UPFRONT

Remarketing vehicles and equipment can be a risky endeavor, one fraught with pitfalls of all kinds. Because assets can take weeks - and sometimes even months - to wind their way through the remarketing process, vehicle sellers can run in to all kinds of problems that burden their staff, muck up their operation, and negatively their return on investment..

For starters, a leased vehicle can roll up some fairly significant costs just while it’s working its way through the remarketing process. That’s because despite the fact it’s been pulled out of service, it’s still accruing costs like lease payments, maintenance, insurance, and storage, all of which continue to mount for every day a vehicle remains in the remarketing funnel, making it critical to sell your end of lease vehicles as quickly as possible.

According to a study commissioned by FLD, the number of days to sale can greatly affect a vehicle’s total cost of ownership. Referencing the chart below, it’s easy to see how even the average sedan can roll up significant costs even while sitting idle..

Besides this litany of daily charges, liability can present a significant risk for vehicle owners, one that could potentially lead to more costs or even worse. For instance - what if your vehicle is in an accident while it’s in the process of being remarketed? Or worse, what if it damages another vehicle, or injures a person. The fallout from accidents like these could add tens of thousands of dollars – and perhaps even more - to the total cost of ownership, all because the asset is taking so long to remarket? Situations like this pose a significant risk, one fleets don’t even have to take if they’re working with the right remarketer.

Perhaps worst of all, the longer a vehicle takes to sell the longer a fleet needs to dedicate valuable staff time and resources to managing the remarketing process, further cutting in to their return on investment and often leading to hassles that can affect other parts of their operation.

EXAMPLE OF VEHICLE REMARKETING EXPENSES BASED ON DAYS-TO-SELL

DESCRIPTION/COSTS	FMC (Straight Line Interest)	FLD
Capitalized Cost	\$25,000	\$25,000
Remaining Book Value	\$12,000	\$12,000
Sales Price	\$12,000	\$11,800
Interest Rate – Daily (6% annual)	0.02%	0.02%
Daily Interest Cost	\$1.97	\$1.97
Days to Receive Funds	45	5
Interest Expense	\$88.77	\$9.86
Auction Fee (est.)	\$125.00	\$0.00
Reconditioning/Detail (est.)	\$135.00	\$0.00
Delogo Fee (est.)	\$200.00	\$0.00
Transportation Expense (est.)	\$100.00	\$0.00
Loss/Gain	\$0.00	\$200.00
Total Expense (per vehicle est.)	\$648.77	\$209.86
Cost of 100 Sales per Year	\$64,877.00	\$20,986.00

IMPACT OF DAYS-TO-SELL ON DEPRECIATION

DESCRIPTION/COSTS	FMC (Straight Line Interest)	FLD
Capitalized Cost	\$25,000	\$25,000
Effective Depreciation (per month)	2%	2%
Daily Depreciation	\$16.67	\$16.67
Usage	\$5.67	\$5.67
Time	\$11.00	\$11.00
Days-to-Sell	34	5
Impact of Time	\$374	\$55
Cost of 100 Sales per Year	\$37,400	\$5,500

HOW FLD CAN HELP

At FLD, we help vehicle and equipment sellers totally eliminate even the smallest possibility of risk by taking an ownership position in their vehicle BEFORE it goes through the remarketing process. That means that when sellers commit a vehicle to FLD, we'll make them a purchase offer in just a few hours. If the seller accepts, we get them paid within a few days, completely eliminating any further risk or downside within hours. That means no more lease payments or surprise costs popping up. No chance the vehicle will get damaged or stolen while its being remarketed. And no more unnecessary demands on your staff and time.

More importantly, sellers get a guaranteed price that they agree to, not whatever price the FMC or third party remarketer offers them AFTER a vehicle finally sells at auction or to a dealer. Just one short, seriously simple transaction they takes less than a week and sellers are free to move on to more important aspects of running their fleet, while completely eliminating the possibility that something could go wrong along the way. It's also a way to ensure their staff won't be burdened with a long, drawn out remarketing process that seems to never end. And in addition to all the time and resources they save, our research shows that FLD usually offers a higher resale price than sellers would get at auction, giving fleets a better return on their investment while keeping their operations lean and nimble.



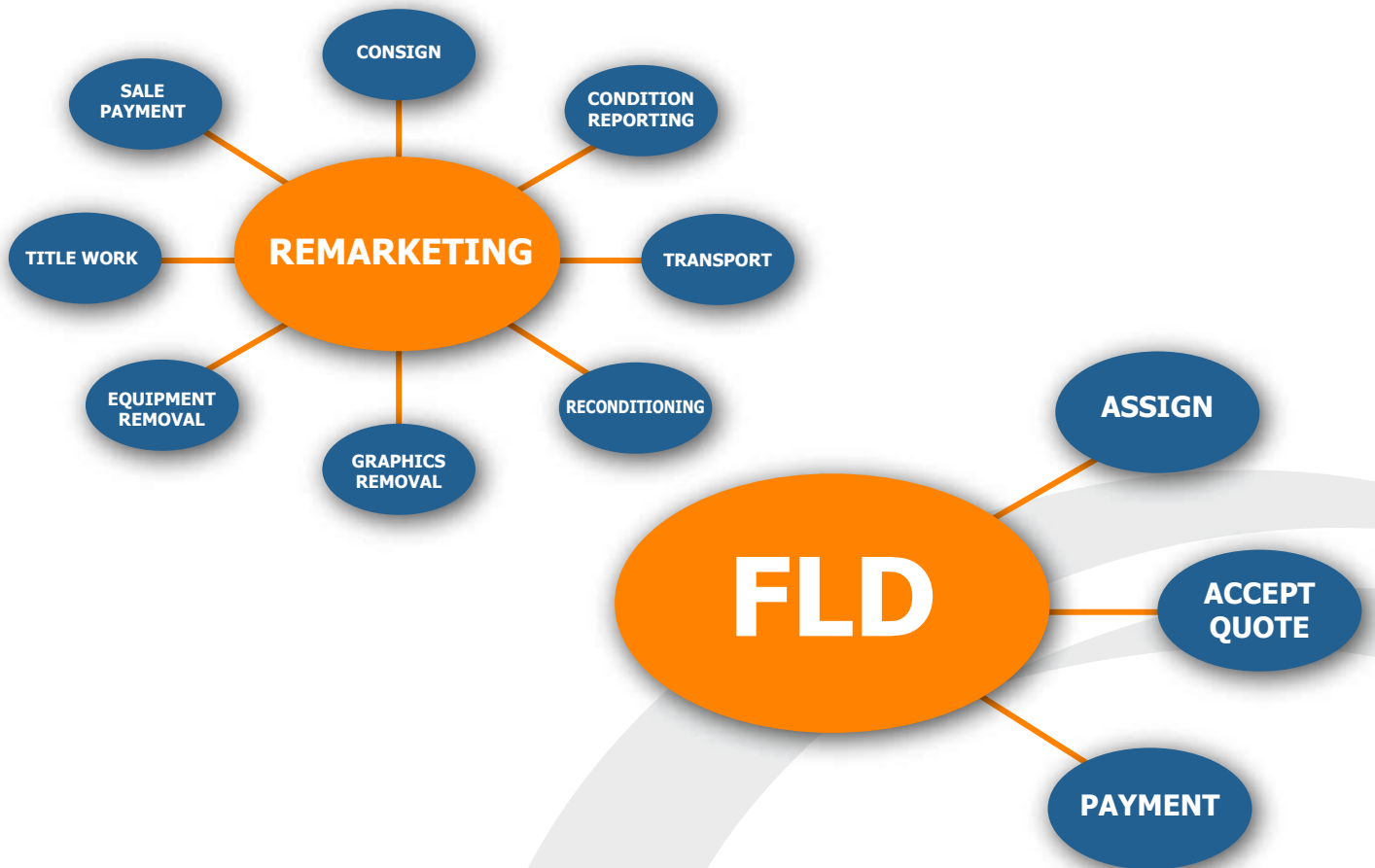
FIND A REMARKETER WITH TECHNOLOGICALLY ADVANCED TOOLS THAT HELP MAKE YOUR JOB EASIER

Traditional remarketing can be a complicated endeavor. One filled with lots of moving parts.

The process usually starts with consigning a vehicle and is quickly followed by getting it transported, filling out all the paperwork, and then finding an ingenious way to track your vehicles as they wind their way through the remarketing process. Depending on how your remarketing partner wants you to document and transport a vehicle, the process can get even more complicated. Unless you're willing to dedicate time, money and resources, it can be hard to manage vehicle remarketing, especially if your fleet lacks a sophisticated tracking system. So much so that fleets can even experience damages, loss or even the theft of their assets simply because their remarketing partner isn't staying on top of the process. Of course, if you're only remarketing one or two vehicles at a time, that may not be such a big deal.

But if you're a large fleet trying to remarket hundreds – and sometimes even thousands – of vehicles, the logistics can get extremely complicated, especially if you're vehicles all enter the remarketing process at different times through the year.

As the chart below shows, the traditional remarketing process can have up to 10 touch points, all requiring detailed documentation and an eagle-eye view of exactly what's going on. And while most remarketers are happy to develop weekly or monthly reports that track's your fleet's vehicles, these can be of little value without robust insights.



HOW FLD CAN HELP

As a leader in the remarketing space for nearly 45 years, we learned early on how important having the right technologically advanced tools can be to making the remarketing process faster and easier for our customers. All while giving them the peace of mind they need to confidently reach their most important goals.

To ensure we would have the best technology offering in the remarketing world, we started our own in-house technology team in the early days of the internet. Long before most fleet services providers even thought about the importance of developing proprietary tools clients could leverage to work smarter, harder and faster than ever before. This included WebAccess, the industry's very first online condition report in 1997. Over the years, we have continually upgraded this tool and today we call it OVRview, an amazing mobile app that makes it fast and easy for fleets to monitor their entire remarketing universe in real-time from any device, anytime, anywhere in the world. With the custom OVRview app, fleets can easily assign vehicles and review quotes; accept our cash offer; and even authorize payment. With OVRview you can even access your entire remarketing history with just the click of a button.

In addition to our Ovrdrview app, FLD has also created several support tools like our OncOvr and OncOvr PRO mobile apps, superior technology that lets anyone quickly and easily create online condition reports in a matter of minutes using just their mobile phone. And Fleet Guru, an online application that (need a little more info on how this is currently being positioned.)

LOOK FOR AN IMPRESSIVE PEDIGREE and TRACK RECORD

As with most services they utilize, today's fleet have myriad options to remarket vehicles.

In many cases, fleets with fleet management company's handling their day to day operations simply allow these FMC's to also manage vehicle remarketing as well. In other cases, fleets work with remarketing specialists like FLD or other third party providers, or often, simply employ a one off solution like sending their end of lease vehicles to a local car dealership or auction house to sell for whatever price they can get.

The problem with leaving remarketing to chance or selling vehicles through whatever channel seems most expedient is that fleets often leave a lot of money on the table by doing this. Especially if their vehicle's have specialty upfitting or sophisticated equipment that should be snaring a higher resale price. Or, because their remarketing partner lacks the experience or pedigree to maximize their return on investment by selling their vehicle quickly and for top dollar. These fleets can also create a mountain of work for themselves by partnering with less experienced providers who require them to consign vehicles, wait for them to be picked up and sold, and then wait even longer to get paid, leading to a situation that is time consuming, laborious and anything but easy to manage.

To avoid these types of scenarios, fleets should look for remarketing partners with an impressive track record, and the expertise to quickly and deftly handle the remarketing process so that their customers can focus on more important aspects of running the best fleet they know how.

HOW FLD CAN HELP

As the company that pioneered vehicle remarketing, the team at FLD has always been focused not only on finding new ways to make the remarketing process faster, easier and more profitable for our customers, but to help them maximize their return on investment.

How?

Because we've developed a pedigree and knowledge of the business that is second to none, we offer a higher price for sophisticated upfitting or custom features that often bring little or no money at auction or when sold through a dealership. That's because we're confident we can sell them for higher prices during the remarketing process, something most FMC's and third party providers simply don't care about because it's not their skin in the game, it's yours.

Don't let your fleet take a gamble on a provider that lacks the experience, expertise and pedigree to recognize the true value of your vehicle. Or of your staff's time and resources. Look for a provider like FLD that has spent decades fine tuning its offering so its customers maximizes returns while minimizing hassles.



FIND A PARTNER THAT WILL HANDLE ALL OF THE PESKY DETAILS

Remarketing vehicles and equipment is an inherently time intensive activity. One that can be a drain on your staff's valuable time and resources – especially if remarketing is not something you do all the time. After all, you didn't get into the fleet business to be a used vehicle salesman, nor do you want to unnecessarily burden your staff. So even when a fleet sells its vehicles directly to FLD, there are still several tasks that need to be performed. From having a vehicle picked up and transported to handling all of the license and title work, there are a number of things that have to fall in to place to expedite the process.

If you're working with a traditional remarketer – or through an FMC - that sends your assets off to auctions or dealers, then the list of tasks and requirements can grow. As can the time it takes to complete the transaction, which can be anywhere from a few weeks to a few months depending on the process your remarketing partner employs.

By the time your assets finally get sold – and your fleet gets paid – you've likely invested not just man hours but a lot of sweat equity to handle all of the details. In many cases, your fleet's had to endure some of the endless roadblocks that characterize the remarketing process, leading to frustration and aggravation that can bog down your operation and the kind of hassles you don't need or want.



HOW FLD CAN HELP

With over four decades of experience, we literally wrote the book on vehicle remarketing. Given that, we've learned more than a thing or two about how to streamline and expedite the remarketing process to make it easy for our customers.

For starters, there's no reason for your fleet to get bogged down in the minutiae of remarketing when our experienced team of remarketing experts is standing by to handle all of the pesky details. From arranging to have your vehicle picked up to handling all of the paperwork to ensuring the title work is in place, we do it all, including removing the graphics and logos from your vehicles. All of these are details you and your staff must execute yourself if you're handling remarketing in house or with a less experienced provider that doesn't provide these services for you.

When you remarket with – and hand the details to - FLD, you can handle the entire process on our Overview app, allowing you to save valuable time, resources and energy so you can focus on more important things.

Even better, when you choose FLD as your remarketing partner, all of these services are free. So, not only are you avoiding the kind of hassles that can drive your people crazy, you're saving man hours that would otherwise come out of your pocket, further maximizing the return on your investment, and helping you avoid unnecessary aggravation.

CONCLUSION

Remember, remarketing vehicles and equipment should never become a thorn in your fleet's side. Nor should it become a process that hurts your operation or costs your fleet money it doesn't have to spend.

Remarketing should be easy!

To ensure that's the case, ensure you make the right choice in a remarketing partner. A choice like FLD. We'll make you an offer in hours. Get you paid in less than a day. And send you happily along your way safe in the knowledge that you're experiencing the easiest process in vehicle remarketing – period!



For more information, or to schedule a conversation on how your fleet can thrive and not just survive during challenging times like the chip shortage, give us a call at 1-800-754-1522, or log on to fldinc.com or vehicleremarketing.com today.

