

Equipment Costs Just One Piece of Financing Puzzle

Neal Weeks of AmeriQuest Transportation Services says the most cost-effective financing decisions should be based not only on interest rates and terms, but also on vehicle resale value, fleet utilization, and other factors unique to the trucking industry. His blog explains why it's beneficial to find a financing source that understands every aspect and nuance of the industry.

CHERRY HILL, NJ, November 12, 2012 – Securing financing for capital equipment needs is only the first step in managing a trucking fleet's overall life cycle costs. With equipment typically operating at 100,000-plus miles per year, private fleets and carriers must factor in the maintenance program needed to support that equipment, said Neal Weeks, Vice President of Syndication & Operations for AmeriQuest Transportation Services in a blog posting on the AmeriQuest Website.

"With maintenance and other considerations, the financing model become much more complex," he said. "Companies looking to expand, replace, or reconfigure their fleets should consider not only the maintenance, but how the equipment will be operated, what equipment components will be needed, when the equipment should be remarketed, and how the transportation industry is trending."

He pointed out that while sources for financing exist, it's usually in the fleet's best interest to turn to a fleet services management provider that not only has relationships with funding sources but also has a staff of transportation industry professionals who understand the nuances of the trucking industry. "Some of the advice can be complex or it can be as spec'ing a truck that may get two miles better per gallon on highway which, depending on the vehicle's utilization, can translate into thousands of dollars of savings over a year," Weeks said. He added that among the other benefits of getting financing through a company such as AmeriQuest is managing a fleet's credit exposure and cash flow, as well as managing document flow and processing," Weeks said.

He pointed out just a few of many other things that should be evaluated while navigating the maze of fleet financing: historical maintenance and repair costs; vehicle specifications; interest and tax rates; utilization; maximization of residual value; and acquisition costs. The blog also provides a case study of a private regional fleet in the food logistics industry that realized a savings of more than \$20 million over eight years by obtaining financing through a fleet management company.

View the entire blog at <http://blog.ameriquescorp.com/?p=43>.

About AmeriQuest Business Services

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