



Service Line

NEWS AND IDEAS FROM AMSOIL

Centralize Management of the Fleet

Controlling costs of fleet management is one of the most crucial issues facing fleets of all sizes today. In the past few years, state and local government and utility budgets have been caught in a financial squeeze. That's no surprise to anyone managing fleets.

What may be a surprise, however, is what government and utility fleet managers are doing about it, according to Michael E. Corbett, Publisher, *California Fleet News*, a fleet industry newsletter.

Some cities have resolved fiscal problems by privatization of fleet maintenance in order to obtain substantial savings.

In other cities and counties, executives are questioning the logic of two fleet organizations such as a general county fleet organization and a sheriff's fleet organization.

A Southern California county studies the consolidation of its fleets with the potential for modernization and annual savings in the millions, according to Corbett.

Over time, some jurisdictions have gained substantial savings through modernizing and consolidating fleets.

Another means of savings is to question the practices that remain part of the status quo, or the "because we've always done it that way" justification, Corbett said.

Too many units of government is an obvious item in this protected category. Numerous transportation, water quality, and growth control agencies complicate the ability to face problems squarely, let alone be efficient with the taxpayer's dollar, according to Corbett.

What is occurring is the "sacred cows" are headed for the chopping block. The theory is that essential services needn't be sacrificed if the "sacred cows" are questioned and tackled first.

Continued decentralized law enforcement, fire, public works, airport and other fleet services departments within the same jurisdiction keep fleet management costs escalating at a time when centralization of the fleet function is one of the most promising actions a jurisdiction can take to cut long term costs, according to Corbett.

Duplication of services and administrative functions also drains budgets.

A general trend has slowly emerged for the past fifteen years to centralize the fleet and manage it as a business operation using internal service or "revolving funds,"

according to Corbett. By doing so, price-competitive models can be developed for easy comparison of costs with the private sector.

Centralized fleet management has long been viewed as a means of getting economies of scale in jurisdictions that have relatively small fleets, Corbett reported. The best benefit of the approach is decreased total cost for the jurisdiction's fleet function combined with a more coordinated asset management and vehicle purchasing policy.

Jurisdictions have found that concentration of effort in one organization can result in improved management, in successful specialization, in uniform policies, in more complete inventories and in cost-justified, specialized repair facilities and services, according to *Fleet News*.

Results suggest that centralization can be an enormous help to government and utility organizations in streamlining fleet management and making substantial savings.

Once that centralization has taken place, fleet managers can continue to increase savings by installing AMSOIL Synthetic Motor Oils and lubricants. AMSOIL offers world-class synthetic engine oils and lubricants formulated for both gasoline and diesel engines that provide unsurpassed engine wear protection and extended drain intervals.

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AMSOIL ANTIFREEZE and ENGINE COOLANT

- Formulated for heavy duty and automotive applications
- Extended drain intervals up to seven years or 750,000 miles in Class 8 vehicles
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Do You Know Why Synthetic Motor Oils Are Better Than Conventional Oils?



Are your customers still skeptical about synthetic motor oils and extended drain intervals?

It's easy to understand their distrust with all the mixed messages – oil companies promote a 3,000-mile oil change while automakers recommend longer intervals through oil change indicator lights and plain old 10,000- to 12,000-mile changes for European vehicles – there's bound to be confusion. The result of this confusion is a pervasive distrust.

Even after customers buy something they want, they can be anxious and wonder whether they made the right decision by upgrading to synthetics. This is why the best salespeople learn to anticipate “buyers remorse,” and nip it in the bud with affirmations that support the decision that was made.

When it comes to synthetic motor oils, having a firm understanding of their benefits is invaluable. Every employee can and should feel confident about recommending synthetic motor oils. For those who need a refresher, here are eight truths about why synthetics are better for today's motorist and worth the extra upfront cost.

- They offer superior wear protection so that engines last longer.
- They improve fuel economy so that vehicles get better mileage out of every tank of gas.
- Because of their low pour points and cold weather pumpability, they make winter starts much easier.
- By reducing friction they help engines run cooler.
- By reducing deposits engines run cleaner and perform more efficiently.
- Because of lower volatility they reduce oil consumption.

- They have been proven to provide more horsepower.
- Because they resist oxidation and breakdown, they reduce varnish and sludge which keeps valves and rings from sticking.

It's a “wow” type of list. This is good stuff to know, for you and your customers. When combined with extended drains, premium synthetic motor oils offer these additional benefits:

- Synthetics save customers money while improving your profitability. Their overall life-cycle costs are less than petroleum products, and you earn more as well.
- They save customers time. Consumer surveys have shown that they desire the convenience of extended drain intervals. Motorists will pay extra for this convenience.
- They reduce waste. Not only is there less waste oil to deal with, there are also fewer empty containers for disposal.

No question about it, the truth is powerful. By speaking the truth about synthetics we can put to rest the anxious concerns of our customers regarding one of their biggest investments, their vehicles. In the end we're respected, and their engines are protected.

AMSOIL Synthetic XL-7500 Motor Oils are specially formulated to deliver 7,500 miles or six months of service between oil changes (or longer when relying on factory-installed oil monitoring systems such as those used on GM and some European vehicles). These oils provide outstanding wear protection and increased power, performance and fuel economy in high and low temperatures.

AMSOIL Synthetic 5W-40 European Oil is specially formulated for the lubrication needs of European gasoline and diesel cars and light trucks. AMSOIL European Formula is blended with advanced AMSOIL synthetic base stocks, premium additives and a broad viscosity rating, allowing motorists to take advantage of the maximum extended drain intervals recommended by European automakers while providing second-to-none protection and performance.