

EFM and ABC Chapter Opportunities

February 26, 2016



FLEET MANAGEMENT

Agenda

- What value does EFM provide ABC members?
- Revenue Share Agreement basics
- What else is in it for ABC Chapters?
- Potential relationship with local EFM Group

Industry background, Joe Stergios



- Corporate Business Development Manager- St. Louis, MO
- Partnered with So Cal ABC Chapter 2004-2015
- 25 years in Fleet Management Industry
 - Enterprise- 18 years
 - ATT/GE Capital
 - Donlen
 - General Motors

The story of my bad attitude

Attitude- 2005

- Didn't get it
- Didn't want to get it
- Resented outlay of time and money
- Minimal engagement

Attitude- 2015

- Association partnerships are indispensable
- ABC So Cal Strategic Summits (2)
- CFMA Board 2011-2015
- Led 500-member AGC Associate Council
- AGC-CA Executive Council 2012-2015

EFM Association Strategy- 2016+

- ABC is largest of four strategic associations
 - ABC National- National Sponsorship
 - ABC Chapters- Aligned with 42 US EFM “Groups”
 - 54 Regional offices

Incentive consideration with signed agreement:

- \$25 per delivery to ABC members
- \$1000 per new/referred account

Success or failure depends on the level of **local** engagement.

We want to pay more!

- Q2 FY 2016 (Nov-Jan)
 - 332 deliveries to Chapters with Agreements: \$8,300
 - Local agreement required to initiate payment.
 - Requires some kind of working relationship between ABC Chapter and local EFM office.

Example: Local ABC Chapter~ 3 million market

- Q2 FY 2016: 20 deliveries= \$500.00
- Working relationship between Chapter President and EFM office
- Local sponsorships and participation
- Fun and Friendly!

Supporting ABC's Mission

- Representing the interest of General/Sub Contractors
 - Compliance
 - Access to owners
 - Safety
 - Education
 - Legal
 - Legislative Advocacy
- Partnering with meaningful supply chain associates
 - Scope, scale, and reach
 - Vehicle-related:
 - Enterprise Fleet Management
 - GM, Ford, and FCA
 - Dealers
 - Insurance Brokers

How is EFM different than a dealer?

- Dealers are an indispensable part of the vehicle ecosystem
 - Unless you are GSA, all vehicles must be acquired through a dealership.
 - Even Enterprise/National/Alamo, with >750K annual purchases
 - Dealers are excellent at serving their own market area:
 - New and used vehicle sales
 - Service
 - Financing
 - Resale/Disposal

When is EFM worth a look?

- Member's vehicles are of critical importance
- Mileage and wear is high
- Vehicles are spread out from member HQ

Enterprise Fleet Management

- Medium fleet segment – companies w/ 20 – 300 vehicles
- Companies without a Fleet Manager
- All vehicles 26,000 GVWR and under
- Wide array of industries
- Privately held – access to all manufacturers
- Manage over 1.5 million vehicles across the US and Canada
- 54 regional offices – 800 field personnel to serve our customers

OUTSOURCING & CONSOLIDATION

Purchase



Tag, Title & Registration



Insure Vehicles



Manage the Maintenance



Manage the Fuel Expenses



Sell Your Vehicle



FLEET MANAGEMENT



FLEET MANAGEMENT



Competition Overview (source: AF Fact Books)

Competitor	Year Founded	Lease Units 2005	Lease Units 2015	Growth
Element (GE & PHH)	2007	854k	702k	-18%
<u>Enterprise</u>	<u>1957</u>	<u>159k</u>	<u>322k</u>	<u>103%</u>
ARI	1948	197k	240k	22%
Wheels	1941	206k	216k	5%
LeasePlan	1983	127k	115k	-9%
Donlen	1965	74k	110k	49%
<u>Emkay</u>	<u>1946</u>	<u>50k</u>	<u>63k</u>	<u>26%</u>
TOTAL		1.67 m	1.75 m	5%

HOME

EHI

EFM

VEHICLE EXPENSES

OPERATING EXPENSES

INDUSTRY

INDUSTRY REFERENCES

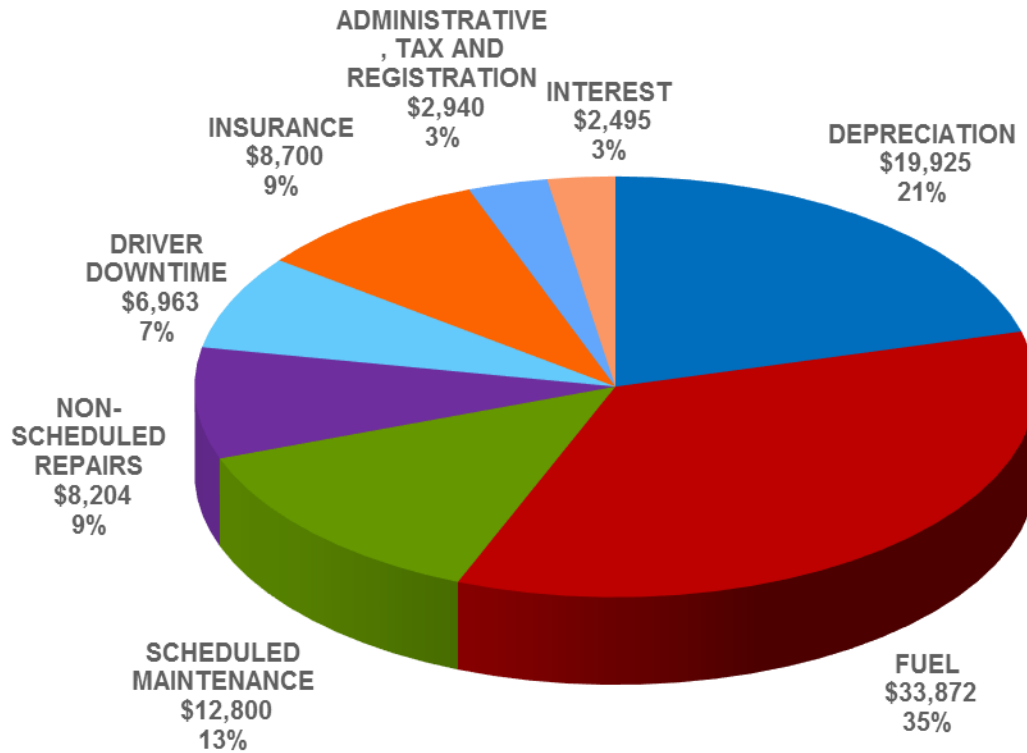


enterprise

FLEET MANAGEMENT

TOTAL COST OF OWNERSHIP

½ Ton Pickup



**TOTAL COST OF
BUY & HOLD FOR
A ½ TON PICKUP**
\$95,899



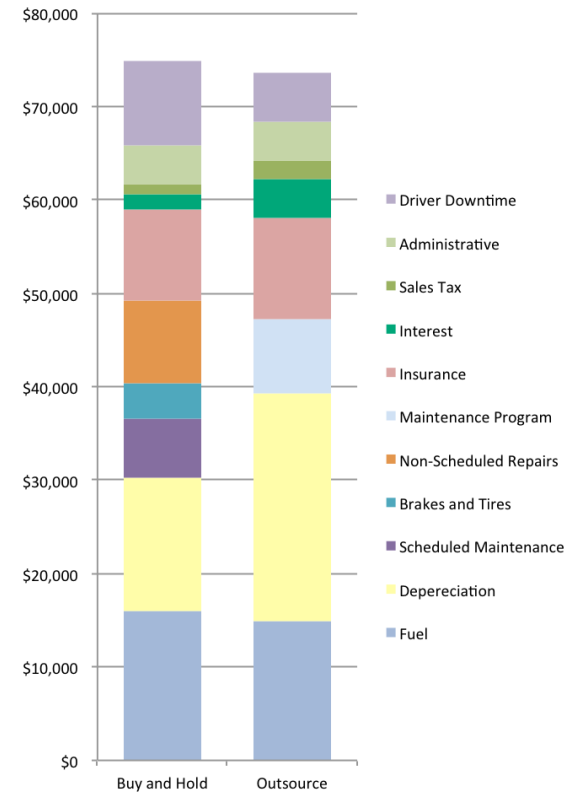
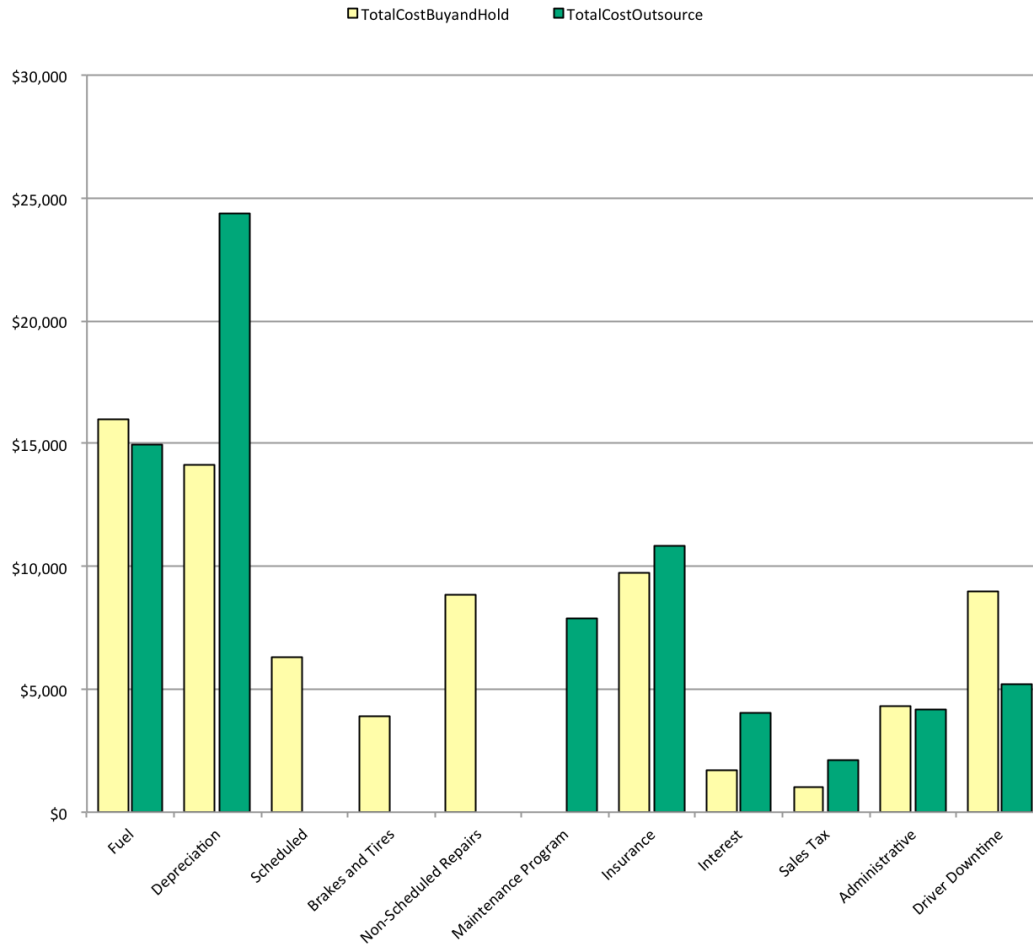
Assumes 8
year holding
period at
25,000 miles
per year

Source: Internal Data



Total Cost Comparison

Total Cost of Ownership
Nissan Sentra (25,000 Annual Miles) 8 Years, 200,000 Miles



What is “Fleet Management?”

- Strategy/Plan
 - Which manufacturer?
 - How long to keep in service?
 - Which funding is best?
- Execution
 - Acquisition, Financing, Compliance, Operation, Remarketing
- Coordination/Communication
 - Customer (four circles) and all external parties

Easy on Paper- Difficult in practice!

- ▶ One customized card to meet all your fueling needs
- ▶ Accepted at 99% of all fueling stations across the country
- ▶ Track and help prevent irregular or unauthorized activities
- ▶ Many clients have reduced their overall fuel management costs by up to 15%

enterprise
FLEET MANAGEMENT



Local Marketing Possibilities

- Membership for local EFM team
- Opportunity to attend new member events
- Potential to present value proposition to chapter leadership
- Lead sponsor at networking event
- Complimentary registration/booth at local conference
- Promotion of EFM services through newsletters, emails, other publications
- Website presence

Questions?

Thank you!

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