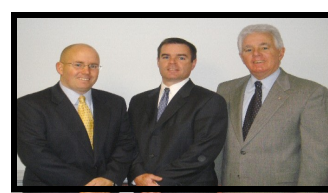


November 2009

**MCMMAHON**  
*Automotive Group*

*Why Leasing Will Save You Money*



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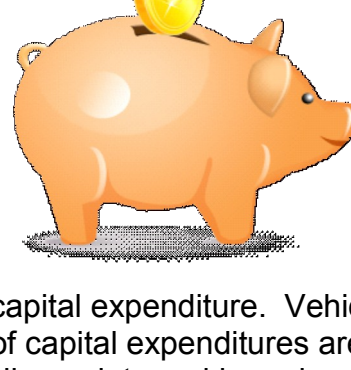
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### Leasing offers much more than an alternative financing option

The decision to lease or purchase vehicles is often inappropriately based on simple comparison of interest rates, or influenced by the perception that utilizing internal funds somehow eliminates the cost of capital. While the cost of funds merits consideration, additional factors influence the overall expense of operating vehicles and should be included in the lease vs. buy decision.

Lease programs combined with a well implemented vehicle management program have the potential to generate thousands of dollars in savings for each vehicle. Savings are derived from cost areas unrelated to funding, and generally only attainable through the disciplines of a well managed lease program. Leasing incorporates a shift in philosophy and strategy of how vehicles are acquired, managed, and cycled when compared to the purchase methodology. A well managed lease program addresses the four major cost areas associated with vehicles; acquisition, depreciation, maintenance, and fuel.



Purchasing a company vehicle generally requires approval for the capital expenditure. Vehicles are a low priority in the scope of running a business, so approvals of capital expenditures are often postponed, resulting in vehicles being operated beyond optimal cycling points and incurring excessive and avoidable maintenance costs and diminished trade-in value. Under a leasing program, vehicles are generally considered an expense, streamlining the vehicle replacement approval process and facilitating replacement before operating expenses begin to climb.

Companies who purchase commonly pay more than they should when acquiring vehicles. Delays caused by waiting for a capital expenditure approval, or operating without a cycling plan and replacing a vehicle when it dies, often require a hasty purchase of a vehicle based on immediate availability. Vehicles purchased off the lot generally include additional costs and may have unnecessary options. A leasing program sets the stage for more disciplined planning, and normally allows time to factory order the exact vehicle for the lowest possible price.

Acquiring a vehicle under a lease program also facilitates a more thorough analysis than with a purchase. Purchase analysis is often limited to only comparing vehicle price with the decision often landing on the lowest price. Leasing on the other hand addresses the overall cost of a vehicle, identifying hidden value and savings opportunities.



Companies often ignore maintenance costs in a purchase environment, a practice that has come to light in the current economy. Vehicle replacement purchases are being postponed, without consideration given to resulting maintenance and repair cost increases. Upon analysis, it has been rather common to discover thousands of dollars being spent to keep vehicles running that should have been replaced. This excessive spend goes unreported and often unchallenged up the reporting chain of authority.

A leasing program with maintenance tracking exposes unnecessary expenses and allows for well informed decision making.

Traditional benefits of leasing include:

- ⇒ Off balance sheet financing
- ⇒ Frees up capital for more profitable use
- ⇒ Simplifies record keeping for tax purposes, budgeting, and cost controls
- ⇒ Minimize up-front sales tax costs
- ⇒ Eliminates the cost of acquiring and disposing of vehicles
- ⇒ Company image is enhanced with operating newer vehicles

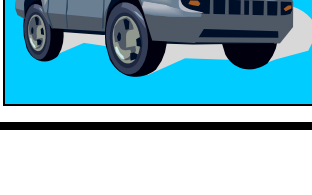
McMahon Leasing can provide you with additional details on the advantages of leasing for your company, perform detailed lease vs. purchase comparison, or suggest enhancements to your current lease program.

Contact Joe, Dan or PJ McMahon at 610-630-8250 to schedule an appointment

#### McMahon Automotive Group

Offers a fine selection of pre-owned vehicles for sale or lease, business or personal.  
The inventory changes frequently and features cars, trucks, and vans.

Contact PJ McMahon at  
610-630-8250 or email him at [pj@mcmahonauto.com](mailto:pj@mcmahonauto.com)



[Current inventory](#)

