

EXECUTIVE PERSPECTIVE

A FRESH FOODS CASE STUDY

PENSKE

Rental
Leasing
Logistics

Leasing Increases Productivity While Reducing Risks

This current customer — one of the largest produce distributors and fresh-cut processors serving the Southwest region — relies on its equipment to get products where they need to be, when they need to be there. For the company's CFO, reliability is key. "We're dealing with a perishable commodity," he says. "I need my trucks to run 99.9999% of the time."

He turned to Penske Truck Leasing to help him manage his fleet. "I look at Penske as a solution," he said. "The reliability and the consistency; that is the biggest value that I see."

At first, he was reluctant to lease, but quickly realized it allowed him to focus on the core aspects of the business. "I want my team focused on buying the right product and having the right inventory and not on maintaining trucks," he said. "Internal operations is our focus, and that is the value of having the lease take care of the transportation-related headaches. I'm not a trucking company, I'm a wholesale produce distributor. You want the crucial thinking in your business to be focused on what makes the company money."

Utilizing leases has helped the company reduce a number of risks and given the company's CFO increased flexibility.

Increase Equipment Uptime

The number one goal of operations is to fulfill the obligations to the customer, which means equipment uptime is crucial. "When a truck fails we irritate our customer. If I fail enough, I'm going to lose business and lose accounts," the company's CFO said, adding that regular maintenance increases the uptime, and if a truck needs a longer repair or fails in the field, Penske provides a replacement vehicle. "I just stress to whoever I'm talking to at Penske: I don't care how you get it done, just get it here and ready to run."

Spec the Right Equipment

The company's CFO said he finds value in the expertise of Penske to spec the right equipment to get the job done for his company.

A LARGE, REGIONAL FRESH FOODS DISTRIBUTOR

QUICK FIGURES

Employees: 300

Annual Revenue: \$21 Million

Penske Leasing Customer Since 1995

About the company: This fresh produce delivery company operates a modern distribution fleet of 45 fully refrigerated trailers and bobtail trucks, which are all fueled on-site. Each unit is equipped with two-way communication dispatch systems, GPS tracking and a sophisticated logistics system to ensure their customers' product is delivered safely, with the care and efficiency expected. Real-time tracking software allows the company to plan delivery routes, schedule and track deliveries in real time and receive alerts of plan deviations. The detailed reports and analytics of the GreenMile tracking system improve productivity, reduce costs and increase customer satisfaction.

"I know that they know what I'm doing with the equipment and they're not going to go and spec 500 tractors that are completely wrong."

Remain Flexible

Several years ago the company's CFO realized he had the wrong truck for a new customer who was located at the top of a big hill. "If you have an underpowered truck, you're killing the truck trying to run it uphill. We got rid of the truck and replaced it," he said, adding that he has found it easy to work with Penske to get the exact equipment he needs.

Improve Agility

Leasing is a flexible alternative for the company's CFO. "If your needs change, [Penske] will work with you to try and have the right equipment. It's a phone call." That agility allows the company to pursue new opportunities without being bound by equipment.

Reduce Litigation Liability

Not maintaining equipment properly increases the amount of risk a company is exposed to, the company's CFO said. "In this day of everyone wanting to sue everyone for everything, if you don't have a full-service maintenance operation on your equipment, you're exposing yourself to huge litigation liabilities." With Penske Truck Leasing's full-service maintenance program, the company's CFO now has a record of

when certain items were serviced or replaced. "When you have a third party doing it and it is documented, you have something to fall back on."

Reduce In-House Liability

Having a third party manage maintenance also reduces the liability an on-site maintenance facility carries with it. "My alternative is to build a shop and hire the guys; that is a lot of additional liability, particularly with the EPA issues you have to deal with if you're conducting your own maintenance on your property."

Retain Drivers

New, well-maintained equipment helps the company attract and retain quality drivers. "The right people value driving a relatively new unit that is in good shape and that they know is maintained," the company's CFO said. "When my transportation manager interviews guys and when they have their initial onboarding and training, they are impressed. The wrong guys don't care."

Support the Brand

The chefs and restaurants the company serves expect top-quality products that are handled carefully and safely. The company's CFO emphasized, "If you are going to be a top provider of high-quality food, then everything has to go along with it and the equipment is part of that."



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About Penske Truck Leasing: Penske Truck Leasing Co., based in Reading, Pennsylvania, is a partnership of Penske Corporation, Penske Automotive Group, General Electric Capital Holdings and Mitsui & Co., Ltd.

Penske operates more than 240,000 vehicles and serves customers from more than 1,000 locations in North America, South America, Europe, Australia and Asia, with full-service truck leasing, contract maintenance, commercial and consumer truck rentals, used truck sales, transportation and warehousing management and supply chain management solutions.

**Contact us today to learn how Penske can help support your fleet.
Call 888-234-4201 or visit pensketruckleasing.com**