



Leasing: A Smart, Safe Choice in a Volatile Market



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Whether delivering a product to customers, moving materials or machinery, or warehousing important documents and equipment, transportation and storage expenses can have a significant impact on a company's bottom line. For companies considering fleet ownership as a way to control costs, leasing provides an alternative that maintains the flexibility and limited capital requirements of outside shipping services while offering the control and lower unit costs of ownership.

Maintaining Dynamic Fleet Composition

With a range of leasing options and a wide variety of available equipment, leasing services from Palmer Leasing allow companies to maintain fleets of a size and composition that meet their unique needs.

For retailers and manufacturers, the ability to increase both shipping and storage capacity during peaks in demand protects companies' ability to meet the needs of their customers, while eliminating unneeded capacity in weaker markets helps preserve valuable resources.

For these firms, as well as those in the service sector, the ability to deploy secure, weather-safe mobile storage solutions offers similar benefits, enabling companies to expand inventory and floor space as needed for both planned and unexpected events. Whether providing access to equipment for off-site projects, serving as a staging and storage area for materials, tools and equipment during construction, or allowing companies to take on larger seasonal or temporary projects, mobile storage solutions enable companies to treat space as a dynamic strategic resource, instead of a traditional capital investment.

Focus on Your Business, Not Equipment

With the full-service contracts available from many leasing companies, firms can focus on their serving their customers, not servicing their equipment. Leasing allows firms to avoid the cost and hassle of licensing and registration, managing an in-house repair shop, employing service technicians, and maintaining an inventory of tools and spare parts – a task that can be even more costly when managing a diverse fleet.

Beyond the hassle and cost of these services, fleet ownership carries significant risks. Having a fixed shipping and storage capacity can lead to underutilization or an inability to meet demand, while unexpected equipment failures can impose significant indirect costs, in the form of delays, in addition to their direct costs.

While these kinds of full-service leases may be more convenient, they may also come at a lower overall cost. Taking advantage of the strong economies of scale in fleet management, leasing companies can often deliver repair and maintenance services more efficiently. Furthermore, the depth of experience in the new and resale equipment markets and a greater level of flexibility in sale timing often allow these companies to obtain equipment on more favorable terms, helping keep lease rates low.

Preserving Scarce Financial Resources

Whether financed or purchased outright, the acquisition of high-cost transportation or mobile storage equipment drains valuable resources – either directly, through use of cash, or indirectly, by helping drive up the cost of future borrowing. With the option of leasing, though, companies can expand their shipping, storage and logistics capabilities with minimal impact on financial metrics and future borrowing capacity.

In most cases, payments for leased equipment can be treated as fully tax-deductible operating expenses, rather than capitalized investments that must be included on the balance sheet. While information on leases must be included in financial statements, their limited impact on key financial metrics is particularly attractive in the current economic climate, where careful management of credit is key.

Focus on Customers, Not Equipment

In the current economic climate, keeping costs under control is more important than ever. By providing clients with access to a large and diverse fleet of high-quality equipment under flexible lease terms, Palmer Leasing allows clients to enjoy the flexibility and convenience of fleet ownership while avoiding risk and preserving scarce resources.

To find out what Palmer Leasing can do for your company, contact us today.

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