

# ORDER-TO-DELIVERY

## TIMES

### INCREASE SLIGHTLY IN MY-2010

#### AT A GLANCE

An AF survey tracked deliveries of 159,349 new vehicles for MY-2010. Factors that impacted OTD were:

- Quality holds on popular fleet vehicles.
- Massive recalls, which shut down some assembly plants.
- Delayed production from GM and Chrysler's emergence from Chapter 11 bankruptcies.
- OEMs building to demand, not capacity.
- Lower retail sales resulting in slower line rates at assembly plants.
- Shipping delays as railcars and carriers waited for full loads before departing.
- Cash for Clunkers.

Multiple factors increased fleet order-to-delivery times, such as quality holds, massive recalls, the Cash for Clunkers program, GM & Chrysler's emergence from bankruptcy, and the decision to build to demand, not to capacity.

**BY MIKE ANTICH AND  
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**M**ore 2010 model-year vehicles had order-to-delivery (OTD) times increase than decrease when compared to prior model-year delivery times.

One of the biggest factors contributing to OTD delays was quality holds, which delayed the delivery of some high-volume fleet vehicles.

"Quality holds were the single greatest factor and created transportation logjams," said Rick Shick, vice president, vehicle acquisition/truck services for Donlen Corp.

Other fleet management companies participating in this year's survey likewise cited quality holds as a key factor in longer OTDs. "Quality holds/inspections of vehicles led to an increase in OTD," agreed Carolyn Edwards, director of operations for LeasePlan USA.

PHH Arval also identified quality holds as one of the top factors in delaying OTD. "These actions presented a 'double-edged sword' effect for manufacturers. While they want customers to receive vehicles in a timely manner, they are also very concerned with quality, ensuring product was delivered as perfect as possible, minimizing the need for vehicle recalls," said Linda Tiberi, manager of motor company relations for PHH Arval.

The reason quality holds delayed shipments is that vehicles are parked in a storage lot and may linger at that location. "If quality is questionable, vehicles may be moved to a storage lot until a solution is determined

■ **2010 ORDER-TO-DELIVERY TIMES: CARS (83,262 TOTAL)** ■

CAR MODELS	2010-MY OTD (DAYS)	2009-MY OTD (DAYS)	CHANGE (DAYS)
2010 Chevrolet Cobalt	44	56	-12
2010 Chevrolet Impala	47	55	-8
2010 Chevrolet Malibu	50	55	-5
2010 Buick LaCrosse	51	42	9
2010 Volvo S60	53	63	-10
2010 Dodge Avenger	54	42	12
2010 Cadillac CTS	55	41	14
2010 Toyota Avalon	55	60	-5
2010 Buick Lucerne	58	57	1
2010 Dodge Charger	58	45	13
2010 Subaru Legacy	58	50	8
2010 Subaru Outback	59	52	7
2010 Cadillac DTS	60	56	4
2010 Chrysler 300	60	48	12
2010 VW Passat	60	N/A	N/A
2010 Mazda6	61	63	-2
2010 Nissan Maxima	61	57	4
2010 Toyota Camry	61	66	-5
2010 Chrysler Sebring	63	50	13
2010 VW Jetta	63	85	-22
2010 Ford Taurus	66	59	7
2010 Toyota Corolla	66	66	0
2010 Audi A4	67	81	-14
2010 Nissan Altima	67	63	4
2010 Ford Fusion	68	50	18
2010 Dodge Caliber	69	53	16
2010 Mercury Milan	69	59	10
2010 Toyota Camry Hybrid	71	75	-4
2010 Ford Crown Victoria	78	58	20
2010 Cadillac STS	79	47	32
2010 Ford Focus	79	52	27
2010 Audi A6	81	71	10
2010 Volvo S40	81	60	21
2010 Lincoln Town Car	88	74	14
2010 Nissan Sentra	90	93	-3
2010 Mercury Grand Marquis	99	60	39
2010 Toyota Prius	113	115	-2



and the fix is completed," said Jan Freund, director of manufacturer relations for Wheels Inc. "This will cause delays in releasing the vehicles for shipment."

A variety of other factors also contributed to the increase in OTD for MY-2010. Other factors cited by Dave Nagy, senior VP of operations for Emkay, included production capacity/order demand, plant downtime, new-model launches, plant quality holds, and rail capacity.

"Some additional issues that influenced the increase in delivery times were dealer closures, vehicles stuck at the ramp, and supply and demand issues for several popular fleet vehicles," added Marnie Korlath,

manufacturer & dealer relations manager for GE Capital Fleet Services.

Another important factor was the emergence of General Motors and Chrysler from Chapter 11 bankruptcy, which delayed new-model production.

"As MY-10 production commenced, GM and Chrysler were emerging from bankruptcy and the vehicle demand continued to be low," said Freund. "Several assembly plants were shut down and drained of parts affecting production timing. Those plants started slowly taking several weeks to get back to normal output."

Lower retail sales in MY-2010 benefited fleet production. "Plants were pulling orders for production very soon after order placement," said Greg Carson, director of operations for Union Leasing.

However, lower retail sales also contributed to slower line rates at assembly plants, which impacted railcar shipments. "There were shipping delays due to railcars and carriers waiting for full loads to depart," said Bob White, vice president of operations for Automotive Resources International (ARI).

These transportation delays were com-

BEST OTD SUVs

46  
DAYS

pounded by the ongoing shortage of railcars. “We’ve seen delayed shipments as several truck and rail carriers are cautiously adding back resources,” said Freund of Wheels.

These were among some of the findings from *Automotive Fleet’s* 11<sup>th</sup> annual OTD survey. Eight fleet management companies provided data for this year’s study:

- Automotive Resources International (ARI).
- Donlen Corporation.
- Emkay Inc.
- GE Capital Fleet Services.
- LeasePlan USA.
- PHH Arval.
- Union Leasing Inc.
- Wheels Inc.

The survey tracked deliveries of 159,349 new vehicles in the 2010 model-year, representing 86 models.

OTD time for cars was calculated from the day an order was placed with a factory to vehicle delivery to a dealer (not driver pickup). Truck OTD was calculated from order placement to delivery to an upfitter or, if no upfitting was required, to a dealer. The days spent at an upfitter were not included in truck OTD times. An industry average was calculated for each model tracked, based on information provided by participating fleet management companies.

Corporations continued to be cautious about vehicle replacement cycling. “The economy is still causing end-users to be cautious in their vehicle replacement cycling,” said Jim Tangney, vice president of vehicle acquisitions for Emkay.

Despite order volumes being below historical norms, OTD, on average, increased for the 2010 model-year.

“We saw a minimal increase of approximately two days over 2009 models,” said White of ARI.

Some OTD times may actually be longer

## 2010 ORDER-TO-DELIVERY TIMES: CROSSOVER/SUVS (41,531 TOTAL) ■

CROSSOVER/SUV MODELS	2010-MY OTD (DAYS)	2009-MY OTD (DAYS)	CHANGE (DAYS)
2010 GMC Acadia	46	48	-2
2010 Chevrolet Suburban (combined)	53	61	-8
2010 GMC Yukon	53	55	-2
2010 Jeep Compass	53	45	8
2010 Cadillac Escalade (ESV & EXT)	59	51	8
2010 Chevrolet HHR	59	57	2
2010 Chevrolet Tahoe	60	51	9
2010 Ford Explorer	60	67	-7
2010 Jeep Commander	60	44	16
2010 Ford Escape Hybrid	61	155	-94
2010 Chrysler PT Cruiser	62	56	6
2010 Jeep Patriot	62	50	12
2010 Dodge Nitro	63	51	12
2010 Jeep Liberty	63	49	14
2010 Subaru Forester	63	43	20
2010 Ford Expedition	64	86	-22
2010 Mercury Mariner	64	65	-1
2010 Ford Edge	68	61	7
2010 Chevrolet Equinox	69	81	-12
2010 Ford Escape	70	59	11
2010 Volvo XC 90	70	78	-8
2010 Jeep Grand Cherokee	72	47	25
2010 Audi Q7	80	72	8
2010 Toyota RAV4	95	121	-26
2010 Toyota 4Runner	111	105	6
2010 Toyota Highlander	111	124	-13
2010 Toyota Sequoia	120	N/A	N/A

than those published in the survey. “True averages on some models may be higher than depicted, as erroneous delivered-to-dealer status was received on vehicles, which, in reality, didn’t arrive at the delivering dealer until approximately 60 days later,” said Shick of Donlen.

### Multiple Factors Impact OTD

Another factor that influenced 2010 OTD times was the successful Cash for Clunkers program, which siphoned production to the retail market that might otherwise have been available to fleets.

“This created increased retail demand for some models, such as Ford Fusion and Subaru Forester,” said Freund of Wheels. “Afterwards, the manufacturers had to build back dealer inventory, which caused delivery of commercial fleet orders to be pushed back during that time.”

Models that were popular in both the fleet and retail markets experienced order delays.

“One factor that had a negative impact on certain popular models’ OTD was created by the high demand for specific models after manufacturers had taken actions to ‘right-size’ production,” said Tiberi of PHH Arval. “This has presented a continuing challenge of balancing production with demand.”

One example was with Ford products.

“Ford’s market share increased the most for the 2010-MY, and with that increase came longer lead-times for these major fleet models, such as the Focus, Fusion, Milan, Taurus, and Escape,” said Tangney of Emkay. “All of these models are popular with fleet and retail customers, and this demand has caused supply issues and longer lead times. GM has controlled its production and kept dealer inventories low to improve profitability and demand. Newer models, like LaCrosse, Traverse, Acadia, and Enclave, have been difficult to locate at dealers as GM dealer inventory is at the lowest level in a decade.”

Supplier constraints also delayed OTD. “There were various supplier constraints, most notably with the Ford Super Duty and Transit Connect,” said White of ARI.

Others likewise cited supplier constraints. “Manufacturers need to work with their suppliers to ensure they have enough parts on hand to meet demand,” said Carson of Union Leasing.

OTD was also impacted by the massive recalls issued by Toyota, which shut down some of its plants.

“The Toyota Camry went from 66 days in 2009 to 84 days for 2010 models, and the Toyota Camry Hybrid went from 75 days in 2009 to 95 days for 2010, both showing significant increases in OTD times, which

BEST OTD TRUCKS

45  
DAYS

were contributed to the recalls that were announced," said Koralath.

However, if you factor out the impact of the recalls, some fleet management companies said Toyota's OTD in 2010 was comparable to the year prior.

"Toyota OTD for 2009-MY was better because of the gas pedal issue that occurred in the 2010-MY," said Carson of Union Leasing. "If Toyota did not have this problem, OTD for both model-years would have been comparable."

In addition, manufacturers are building to demand and not to capacity.

"Manufacturers are working to balance production with fewer assembly plants, fewer suppliers, extensive quality checks, and new-model introductions," said Freund. "They do not want to overbuild; yet, at the same time, some plants that produce popular models are building to capacity."

Shifting specific model production also contributed to plant downtime. "Moving specific model production to a different plant delayed production," said Edwards of LeasePlan USA.

Weather continues to be a factor impacting OTD times. "Inclement weather contributed to delays by rerouting vehicles around impacted areas," said Shick. "Even though upfitted vehicles aren't included in the survey results, the increase in vehicles missing ship-thru was apparent this year and impacted order-to-delivery for truck customers."

Another factor cited was large allocations for some fleet customers. "This played a role in the increase in order-to-delivery times for the Ford Escape, along with demand versus supply of popular fleet vehicles," said Koralath.

There were some models that had dramatic improvements in OTD, such as Ford Escape Hybrids. "The Ford Escape Hybrid showed the biggest improvement in order-

to-delivery time, from 155 days in 2009 to 70 days in 2010," said Koralath.

"This dramatic improvement in the Escape Hybrid OTD was a result of Ford rectifying a battery shortage situation and, to a lesser extent, order submission timing," said Shick of Donlen. "Many of our orders in the 2009 model-year were placed at the height of the battery storage situation."

Another factor influencing 2010 OTD, especially for diesel-powered trucks, was the new 2010 diesel emission standards, which went into effect Jan. 1, 2010.

"The 2010 EPA diesel engine emissions standards caused an early buildout of the 2010 diesel truck models," said Dave Decker, manager, truck engineering for Wheels Inc. "In most cases, there was a gap of 4-6 months before the manufacturers started production of the 2011 diesel models. This impacted the OTD times for these trucks and created a shortage of diesel engine trucks in both bailment pools and dealer inventories."

### Impact of Quality Holds

Quality holds have been an ongoing issue with OTD over the past several model-years, but were especially prevalent in MY-2010.

"Quality holds created havoc with transportation," said Shick of Donlen. "The vehicles produced first in many cases were stuck in the back of lots. Instead of first-produced, first-shipped, it turned into last-produced, first-shipped. Obtaining information on these vehicles was next to impossible and manufacturers (one in particular) were not very forthcoming with communication. To make matters worse, vehicles were being erroneously reported as delivered to a dealer. Some of these vehicles didn't arrive for another 60 days. The long-term benefits of qual-

ity holds are positive, but the communication and management of these holds is definitely lacking."

ARI cited five models that were especially hard-hit by quality holds. "Quality holds contributed to delays for the Ford Fusion, Dodge Dakota, Ram pickup, Buick LaCrosse, and GMC Sierra," said White.

Although supportive of OEM quality initiatives, others also acknowledged that these efforts sometimes delayed deliveries.

"All manufacturers adhere to strict quality standards, particularly at new-model launch," said Freund of Wheels. "For example, the all-new MY-2010 Ford Taurus production started in mid-June and the vehicles underwent rigorous inspections before being shipped. That, coupled with supplier and carrier issues, caused shipping delays into September and October."

Another fleet management company cited a similar observation.

"The initial launch of the Ford Taurus was impacted due to a rigorous quality control program," said Nagy of Emkay. "Ford produced and stored several thousand vehicles and had to have them brought back to the plant, inspected, and finally released several weeks behind their intended release date. Throughout the model-year, to keep quality high and recalls at a minimum, Ford really had more delays in releasing vehicles from the plants than other manufacturers. They would hold vehicles at the plant to review the quality and rework any vehicles that needed it prior to shipment. All of this leads to some increased lead-times, but they also had the bulk of the fleet orders and their quality has improved."

Another model that experienced quality holds was the Ford Transit Connect.

"The Ford Transit Connect was the most notable quality hold for the 2010 model-year," said Koralath of GE Capital Fleet Services. "As

## 2010 ORDER-TO-DELIVERY TIMES: TRUCKS (20,561 TOTAL)

TRUCK MODELS	2010-MY OTD (DAYS)	2009-MY OTD (DAYS)	CHANGE (DAYS)
2010 Chevrolet Avalanche	45	48	-3
2010 Ford F-Series (combined)	56	62	-6
2010 Chevrolet Colorado	61	67	-6
2010 Chevrolet Silverado (combined)	61	63	-2
2010 GMC Canyon	63	62	1
2010 Ford Ranger	64	55	9
2010 Ram (combined)	69	62	7
2010 GMC Sierra (combined)	69	63	6
2010 Dodge Dakota	74	58	16
2010 Nissan Titan	79	79	0
2010 Toyota Tundra	102	133	-31
2010 Toyota Tacoma	103	102	1

the vehicle was new to the U.S. market, the hold was longer than expected.”

Although everyone supports producing high-quality vehicles, customer satisfaction can be impacted when there is not timely communication.

“While we understand the need for quality holds, they frequently create frustration for fleet customers because we are unable to get timely status updates on impacted vehicles,” said Tiberi of PHH Arval.

This sentiment was echoed by others.

“While the importance of quality can be understated, the frustration associated with the lack of information or erroneous information almost overshadows the quality,” said Shick of Donlen.

However, the impact of quality holds was not a universal concern. “LeasePlan USA did not experience an influx of new-model quality holds for the 2010 model-year. The manufacturers made a concerted effort to control this area, which allowed us to have a smooth ordering season,” said Edwards.

### Rail-Related Delays Subside

In past years, a shortage of rail cars contributed to OTD delays by causing vehicles to stay in storage until a sufficient number of rail cars arrived.

“Over this past year, many railcars were removed from the system as transporters try to ‘right-size’ railcar needs with vehicle order volumes,” said Nagy of Emkay. “Fewer railcars, inconsistent plant production, and down weeks led to situations where railcars were not always available and times when railcars were waiting on full loads before shipping.”

This observation was reinforced by Freund at Wheels. “We have seen delays due to railcar shortages. Many railcars were taken out of service in 2008-2009 due to slowed vehicle sales and are gradually being reintroduced into the system by the rail companies,” said Freund. “Transit delays due to fewer railcars and trucks affected all manufacturers. Vehicles are parked outside the plant, at the ramps and in the rail yards, wait-

ing for available shipping resources.”

A key factor contributing to railcar delays were the increased number of quality holds.

“The rail-related issues were primarily a subset of the quality holds and a few weather-related situations,” said Shick of Donlen. “Overall, rail-related issues were not a root cause of order-to-delivery challenges. However, there were situations where vehicles were delayed waiting for a full load, but not to the extent seen in the previous model-year.”

The slower economy and subsequent decrease in rail shipments by all economic segments have helped fleet delivery times. “The slow economy has made transport by rail much quicker,” said Carson of Union Leasing.

Other fleet management companies also cited minimal rail-related delays. “LeasePlan USA did not experience delays due to rail-related issues,” said Edwards.

Some OEMs introduced proactive chang-

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BEST OTD VANS

53  
DAYS

es in the rail companies used, which helped expedite OTD. "Ford changed carriers and utilized smaller independent carriers to relieve the volume at the ramps," said White of ARI.

### Impact of Dealer Downsizing

Although there were problems related to courtesy deliveries due to the dramatic number of closures of franchised dealers, these issues did not reach the volume as initially anticipated.

"The downsizing of franchised dealer networks did not significantly influence order-to-delivery times, but, in some cases, may have impacted order placement timing," said Shick of Donlen. "We all lost some dealers in this downsizing that had to be replaced. A bigger issue unrelated to order-to-delivery, but worth mentioning, is the impact that reduced stock inventories maintained by dealers have created on emergency purchases."

In other cases, the downsizing of dealers did impact some vehicle deliveries. "Downsizing of franchised dealers did trigger longer order-to-delivery times and led to a lot of internal work to manage all the dealer changes," said Korlath of GE Capital Fleet Services. "We took a conservative approach to vehicle management and proactively moved all vehicles that we could from impacted lots to other dealers to ensure vehicles were not locked on dealer lots when they were closed. Our proactive approach resulted in zero vehicle losses."

Another impact to courtesy deliveries that has not received much attention in the media was staff reductions. "In some cases, limited fleet staffing at existing dealers could also cause challenges," said Carson of Union Leasing.

From the drivers' perspective, the decrease in the number of dealers meant

an increase in the distance traveled to pick up new vehicles.

"There was definitely an increase in the driving distances for courtesy deliveries due to the more limited dealer network," said Carson. "Also, dealer prep issues had to be monitored more closely."

Union Leasing has a policy to get approval from the fleet client for any deliveries requiring more than 20 miles travel. "This is especially important for executive vehicle deliveries," added Carson.

However, the issues related to dealer closures were dramatically improved over what was experienced in the 2009 model-year.

One reason why dealership closures did not adversely impact fleet deliveries was because OEMs were proactive in keeping fleets up to date.

"The Detroit Three provide daily/weekly communication to fleet management companies of dealers who are no longer active so we have the opportunity to keep our dealer databases current and avoid shipping to those dealers," said Tangney of Emkay. "The large number of dealers who are going out of business has dropped over the past year, so potential issues are much less frequent."

However, dealerships continue to be closed, although not at the same pace as in the past, so to a degree, there continue to be dealer-related fleet delivery issues. "Given the fact that changes are still occurring in the dealer network, vehicles often had to be held (delayed) at ramps until an alternate delivering dealer could be selected," said Tiberi of PHH Arval.

An ongoing issue is that not all dealers are fleet-minded.

"Not all dealers will handle a fleet cour-

tesy delivery," said Freund of Wheels. "This is important when considering an import vendor. Several imports may only have 300-400 dealers nationwide who will handle fleet deliveries. Even if they sign up for the delivery, the dealers might perform so few deliveries each year, they require additional guidance and direction, which may slow delivery."

However, not all fleet management companies felt dealer downsizing had an adverse impact on OTD.

"ARI did not see the downsizing significantly affect courtesy delivery duration," said White.

### Weather-Related OTD Delays

Weather was relatively mild compared to prior years, which resulted in fewer weather-related delays.

"One exception was the extensive floods in Tennessee and the Midwest," said White of ARI.

Other weather-related issues occurred in the Gulf of Mexico. "Hurricanes in the Gulf of Mexico delayed shipments out of that region," said Nagy of Emkay.

Although weather in the U.S. was relatively mild compared to past years, hurricane activity in Mexico delayed some fleet deliveries.

"A recent hurricane damaged rail lines in Northern Mexico. Supplier shipments and railcars carrying vehicles had to be rerouted and logistic offices were shut down, making it difficult to obtain information," said Korlath of GE Capital Fleet Services. "This ultimately added two weeks to ship time. In addition, GM lost about a week of production in Mexico." →

### 2010 ORDER-TO-DELIVERY TIMES: VANS (13,995 TOTAL)

VAN MODELS.....	2010-MY OTD (DAYS)	2009-MY OTD (DAYS)	CHANGE (DAYS)
2010 Dodge Caravan.....	53	56	-3
2010 Chrysler Town & Country.....	54	48	6
2010 Chevrolet Express.....	74	73	1
2010 GMC Savana.....	77	71	6
2010 Toyota Sienna.....	82	92	-10
2010 Ford Econoline.....	83	71	12

### TOP 5 FASTEST DELIVERY TIMES

MAKE/MODEL.....	AVERAGE DELIVERY DAYS
2010 Chevrolet Cobalt.....	44
2010 Chevrolet Avalanche.....	45
2010 GMC Acadia.....	46
2010 Chevrolet Impala.....	47
2010 Chevrolet Malibu.....	50

# OTD MOST IMPROVED -94 DAYS

## Manufacturer OTD Initiatives

Fleet management companies participating in this year's OTD survey positively rated manufacturer responsiveness in addressing OTD issues.

"Overall, and considering the challenges of the previous model-year, status updates were timely and accurate," said Shick of Donlen. "The one exception would be the quality holds. The manufacturers need to more effectively communicate with customers and fleet management companies and assist in managing expectations. When vehicles don't show up as expected, it's no longer a secret, so why not communicate and manage expectations?"

However, the number of new launches in the 2010 model-year did cause some fleet management companies to say there were deficiencies as compared to prior model-years.

"Manufacturer communications were not as good as in past years," said Tangney of Emkay. "Due to some new product launches, there were several instances of quality holds and shipping delays from the plant, and information as to why there was a hold or delay was often vague and communicated as simply a quality hold. In past years, we were provided with more details out of the plant and a better understanding of the repair and shipping rates of the affected vehicles."

Some fleet management companies were encouraging OEMs to develop a better system to manage vehicles put on quality hold.

"The OEMs must manage these holds more effectively and find a way to ensure the units built first are shipped first, especially if they are sold versus retail stock units," said Shick. "We have heard that the logistics systems have the ability to track and provide location, such as railcar information, when

MAKE/MODEL .....	2010-MY	2009-MY	CHANGE
	OTD (DAYS)	OTD (DAYS)	(DAYS)
2010 Ford Escape Hybrid .....	61	155	-94
2010 Toyota Tundra .....	102	133	-31
2010 Toyota RAV4 .....	95	121	-26
2010 VW Jetta .....	63	85	-22
2010 Ford Expedition .....	64	86	-22
2010 Audi A4 .....	67	81	-14
2010 Toyota Highlander .....	111	124	-13
2010 Chevrolet Cobalt .....	44	56	-12
2010 Chevrolet Equinox .....	69	81	-12
2010 Volvo S60 .....	53	63	-10

it left point A and reached point B. We did not experience that on vehicles that were caught up in the quality holds. In many cases, the manufacturer could not tell us with any certainty where the vehicle was, when it would ship, and if shipped."

One contributing factor was the reduced headcount at some OEM fleet operations.

"Some manufacturers struggled throughout the year with headcount reductions to their fleet teams, trying to do more with fewer personnel, so the ability to track and trace vehicles may have been more of a challenge this year than in past years," said Tangney of Emkay.

Other cited manufacturer effectiveness in providing timely and accurate status updates on new-vehicle deliveries.

"The manufacturers were very effective in getting detailed information to the fleet management companies regarding the timing of new-vehicle deliveries, including information on upfit vehicles. They did this by proactively communicating the most up-to-date production information through regular conference calls and bulletins," said Edwards of LeasePlan USA.

Overall, fleet management companies gave a thumbs-up to OTD efforts by the OEMs.

"Except for some 'black holes' experienced on vehicles delayed by quality holds, status for the most part was timely and accurate," said Tiberi of PHH Arval.

Overall, the order-to-delivery timeframes for import-badged models had minimal changes.

"There appears to be a shift in producing more models in the United States," said Edwards of LeasePlan USA. "This change has improved order-to-delivery for the import segment."

Another factor contributing to improved OTD for import-badged models was the expanded use of fleet pools.

"An increase in the array of models available from fleet pools led to an improvement in OTD among the import manufacturers," said Tiberi.

## What Still Needs to be Done

One concern voiced by many fleets is the impact of the OEM decision to build to demand and not to capacity.

"The manufacturers need to start thinking now about how they will handle the need for fleet vehicles once retail demand is back," said Freund of Wheels. "A couple of manufacturers have struggled with the higher than expected volume. Commercial customers may need quicker than normal delivery of vehicles and may not know the exact delivery location at the time of order. We need to know what processes and programs the manufacturers will put in place so they can react and respond accordingly."

White of ARI suggested incorporating service level agreements for on-time or early delivery. Other suggestions by White included real-time tracking and status of vehicles when they are in traffic, improved carrier response for delays, and expedited delivery to compensate for production delays.

An area frequently cited for improvement was quality holds. "Quality holds continue to present a challenge and improvements in that process is needed in order to minimize delays," said Tiberi of PHH Arval.

Many believe that improving OTD will involve a team effort by all participants in the delivery process.

"Manufacturers, transportation companies, and upfit suppliers continue to do a good job in identifying opportunities to improve OTD times. Perhaps more emphasis on the transportation segment would improve delivery times for fleet management companies," said Edwards of LeasePlan USA. ☺