



Customized Lease Program Eliminates Automatic Evergreen Clauses, Ensures Optimal ROI

Company partners with LaSalle Solutions to improve ordering process, budgetary planning, and capital equipment tracking

CHALLENGE

A temperature-controlled warehousing and transportation company was letting many leases go well beyond the lease term, in some cases by 10+ years, increasing maintenance costs for the old and outdated equipment and causing them to pay too much at the end of the lease.

With a new initiative focused on replacing \$150 million in capital equipment across their 140 U.S. and Canadian locations, the Company needed a better lease management process to improve lease schedule efficiency and planning around replacements and upgrades.

SOLUTION

The LaSalle team reviewed the Company's process and developed a customized program with flexible lease terms. The program helped lower costs of future renewals by providing stated lease rates and eliminating automatic evergreen clauses. To account for build times of six to eight weeks or more, the program also included a cost-effective ordering process focused on pre-planning for replacements and improving equipment management using LAMPSM, LaSalle's cloud-based toolset.

RESULTS

With LaSalle's customized lease program, the Company now has visibility into all of their capital equipment. Using LAMP, the Customer can view, report on and manage all aspects of their equipment and leases, including location, associated lease schedule and end-of-term, improving budgetary planning for future replacements.

By implementing these tools and processes, the Customer can ensure optimal return on investment (ROI) through a reduction in long-term rentals that go beyond the lease term as well as decreased maintenance costs for old and outdated equipment.

HIGHLIGHTS

Challenge:

- Poor lease management
- High end-of-lease costs
- Process inefficiencies

Solution:

- Customized lease program with cost-effective ordering process
- Stated lease rates
- No evergreen clauses
- Lease schedule & equipment tracking using LAMP

Results:

- Visibility into leased capital equipment information
- Improved lease schedule tracking
- Improved budgetary planning
- Optimal ROI

Better Information.

Better Process.

Better Results.