

Business Case Scenario

Tangible costs:

- Buying or leasing new vehicle.
- Fixing the old vehicles (or break downs of the old vehicles)
- Employees benefits.

Intangible Costs:

- Decrease on demand due to driver turnover.

Tangible benefits:

- Trips Revenues.

Intangible benefits:

- Increase on productivity if we choose to buy new vehicles.
- Increase on demand if we choose to buy new vehicles.
- Improvement on customer experience.

Risks:

Below are the risks if the company choose to lease the vehicles:

- Leasing cost is 108,000 for 3 years which will affect the profitability, while buy new vehicle will cost only 75,000.
- Decrease on Company's Assets.

Suggestion:

We Suggest that the company need to consider buying new vehicles rather than leasing.