

ABOUT SIGVARIS USA

Sigvaris is a Swiss-based company that manufactures, distributes, and sells medical compression garments known for its premium quality products.



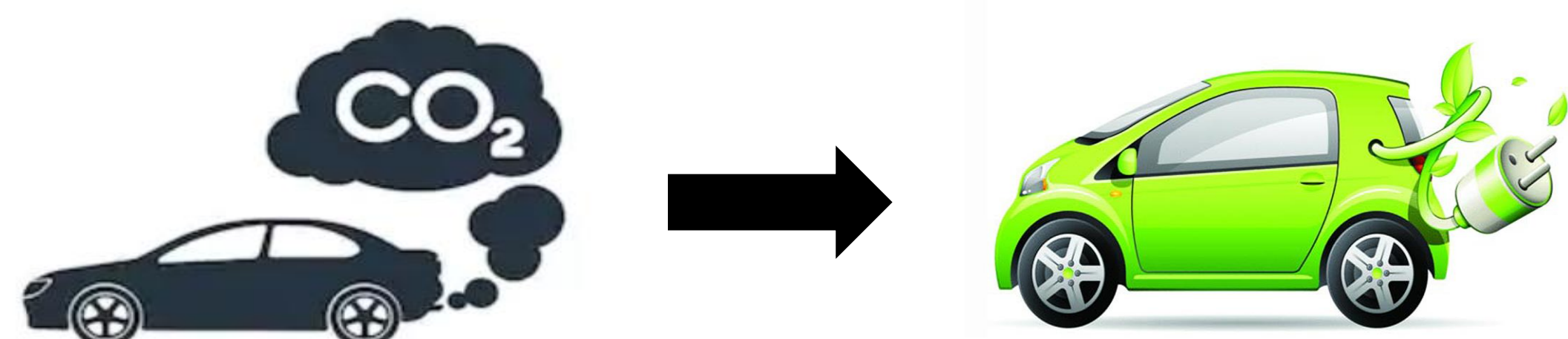
The U.S based portion of the company is currently seeking potential methods to reduce costs in order to compete in this evolving market of low price high volume competitors.

Current US Operations

- 34** People in national sales team
- 100** Miles/day driven in personally owned vehicles
- \$0.57** Reimbursement / mile received for employees
- 30,838** Annual gallons of gasoline consumed
- 605,768** Total pounds of annual carbon emissions

PROPOSAL

To aid in transitioning their traveling sales team from personally-owned, gas vehicles to a fleet of company-owned hybrid electric vehicles.



- 1 **Purchase of Toyota Prius 2018 fleet**
- 2 **Utilize fleet management services including company cards for purchasing gas**
- 3 **Cover insurance, maintenance, and registration costs for company-owned fleet**
- 4 **Target highest drivers within the sales team with a phased approach***

*Sigvaris' Feb 2019 driver mileage shows that 10 drivers contribute to 46% of mileage

CARBON SAVINGS

10 car fleet

Current Fleet

$$\frac{347,215 \text{ Miles/Year}}{24.7 \text{ MPG}} \times 19.64 \text{ lbs. of CO}_2/\text{gallon} = 276,085 \text{ lbs. of CO}_2 \text{ Annually}$$

Hybrid Fleet

$$\frac{347,215 \text{ Miles/Year}}{53 \text{ MPG}} \times 19.64 \text{ lbs. of CO}_2/\text{gallon} = 128,666 \text{ lbs. of CO}_2 \text{ Annually}$$

Total Carbon Reduction = 147,419 lbs. of CO₂ Annually
 =Taking 7 Ford Fiestas of the road every year



34 car fleet

Current Fleet

$$\frac{761,837 \text{ Miles/Year}}{24.7 \text{ MPG}} \times 19.64 \text{ lbs. of CO}_2/\text{gallon} = 605,768 \text{ lbs. of CO}_2 \text{ Annually}$$

Hybrid Fleet

$$\frac{761,837 \text{ Miles/Year}}{53 \text{ MPG}} \times 19.64 \text{ lbs. of CO}_2/\text{gallon} = 282,310 \text{ lbs. of CO}_2 \text{ Annually}$$

Total Carbon Reduction = 323,458 lbs. of CO₂ Annually
 =Taking 15 Ford Fiestas off the road every year



COST SAVINGS

Discount Rate: 6%

	34 car		10 car	
	Initial Investment	Year 1	Initial Investment	Year 1
Fixed 1-time Cost of purchasing Fleet	(\$794,750)		(\$233,750)	
Fixed 1-time Fleet Management Cost	(\$5,100)		(\$1,500)	
Annual Operating Cost (gasoline)		(\$31,911)		(\$9,386)
Annual Maintenance Costs		(\$21,964)		(\$6,460)
Annual Insurance Costs		(\$72,624)		(\$21,360)
Annual Registration Costs		(\$2,050)		(\$603)
Annual Fleet Management Costs		(\$1,530)		(\$450)
Total Cost (Proposed)	(\$799,850)	(\$130,079)	(\$235,250)	(\$38,259)
Total Cost (Current)		(\$434,246)		(197,912)
Net Operating Savings	(\$799,850)	\$304,167	(\$235,250)	\$159,653
Value	(\$799,850)	\$286,950	(\$235,250)	\$150,616

	Present Value						NPV
	Initial Investment	Year 1	Year 2	Year 3	Year 4	Year 5	
10 car	-\$235,250	\$150,616	\$142,091	\$134,048	\$126,461	\$119,302	\$437,268
34 car	-\$799,850	\$286,950	\$270,708	\$255,384	\$240,929	\$227,291	\$481,412

10 Car Payback Period:

$$\frac{\$235,250}{\$159,653} = 1.47 \text{ years}$$

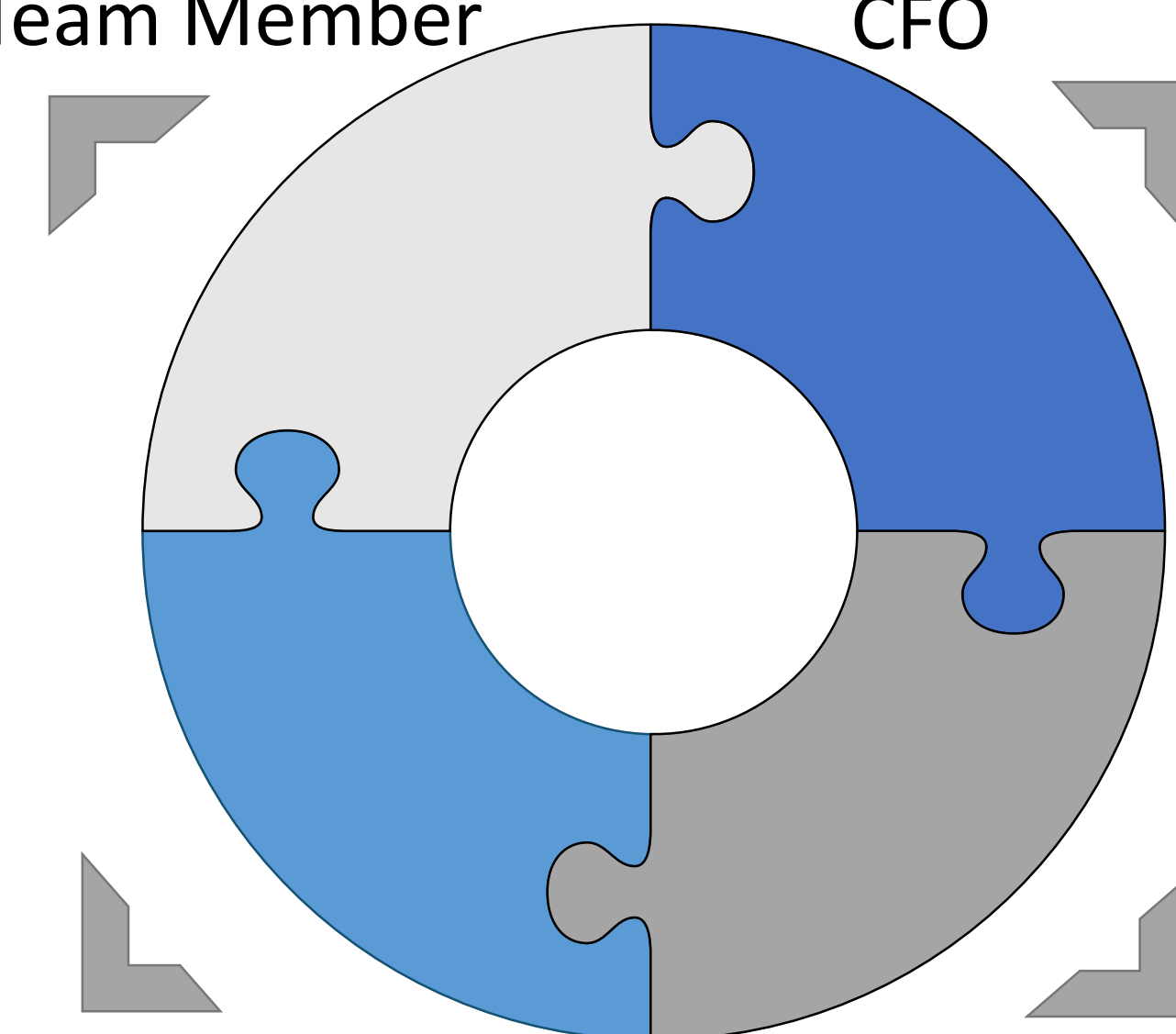
34 Car Payback Period:

$$\frac{\$799,850}{\$304,167} = 2.63 \text{ years}$$

STAKEHOLDER ANALYSIS

Meet Their Need
 Vice President, Sales
 Sales Team Member

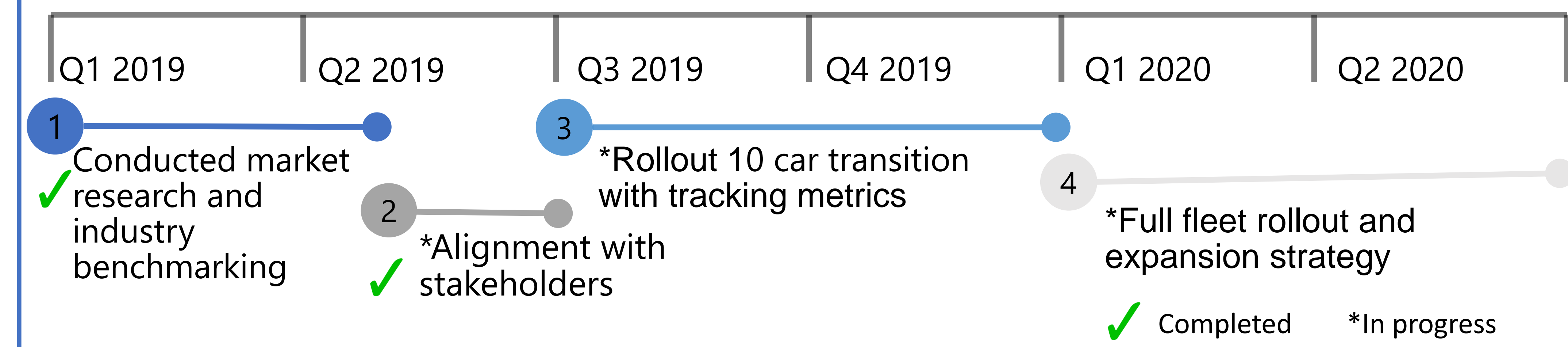
Key Players
 CEO
 CFO



Least Important
 Account Manager

Show Consideration
 Fleet Management
 Manager

NEXT STEPS



BENEFITS

- Cost savings for the organization
- Time saving for refueling
- A more sustainable business model
- Greater control of logistics assets
- Marketing advantage to consumers health