

# **Feasibility Report: Recommending a Company Car**

A Report to Upper Management  
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## **Introduction**

The purpose of this report is to make a recommendation on which car the company should purchase for business use by the newly appointed Vice-President of Sales.

## **Problem**

The Vice-President of Sales will require a company car to meet the requirements of the job description. Intended functions of the car include, but are not limited to, commuting, business trips, sales meetings, entertaining clients, and transporting sample merchandise.

## **Scope**

The report will examine three different cars: Ford Taurus, Honda Accord, and Volkswagen Passat. The report will consider 4-door sedans for the 2002 model year. The report focuses on these popular mid-size sedans to provide comfortable and safe transportation, while maintaining reasonable costs. The analysis will consider the cars under six basic criteria: reliability, comfort, safety, cost, cargo space, and fuel efficiency. Buying American is not required, but will be considered an advantage in the event a “tiebreaker” is needed.

### *Reliability*

Reliability scores came from Consumer Reports’ Predicted Reliability report for 2002 models, based on questionnaire data from 1999-2001 (<http://www.consumerreports.org>). Consumer Reports ranked the automobiles according to their percentage below or above average reliability for the category (in this case, family cars). Figure 1 in the Appendix shows that the Honda Accord scores well ahead of the other two automobiles considered. The Accord is predicted to be 55% more than the average car in the class, while the Passat and Taurus score at +4% and – 8%, respectively.

### *Comfort*

To gauge comfort level of the cars, the report analyzes seating statistics obtained from Consumer Reports. Table 1 in the Appendix compares the basic comfort data. The Ford Taurus gains a slight edge in this category, scoring first in four of the six statistics.

### *Safety*

For safety, the report considers statistics published by the Insurance Institute for Highway Safety (<http://www.hwysafety.org>). The IIHS grades automobile performance in crash test results. Grades of Good (G), Acceptable (A), Marginal (M) and Poor (P) are possible in six categories: Structure, Head/Neck injuries, Chest injuries, Left leg injuries, Right leg injuries, and Restraints/Dummy Kinematics. The IIHS assigns an overall grade based on performance in the six categories.

The Taurus and Passat both scored “Good” overall, with identical scores in the six categories (see Table 2). These scores warranted “Best Pick” designations for both the Taurus and Passat. The Accord scored “Acceptable” overall.

### *Cost*

The Taurus costs the least of the cars analyzed, with a price range of \$18,635 - \$22,900. The Accord ranks in the middle, with a range of \$18,890 - \$25,300. Finally, the Passat is the most expensive automobile at a range of \$21,750 - \$28,750. (All data is from Consumer Reports).

### *Cargo Space*

Consumer Reports ranks all three cars as “above average” in terms of trunk space. The Taurus rates first with a maximum load of 1,100 lb. The Passat ranks second with a maximum load of 1,000 lb. while the Accord finishes last at 850 lb.

### *Fuel Efficiency*

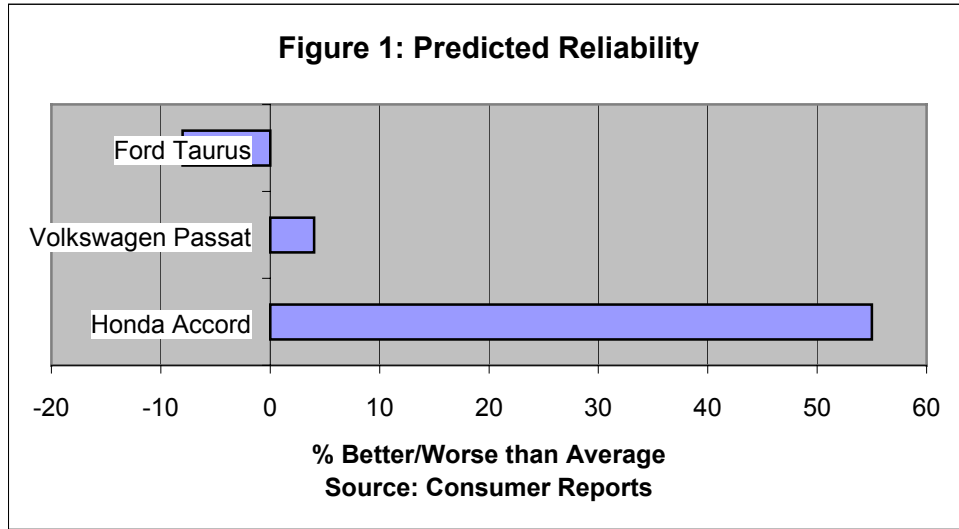
In determining fuel efficiency, the report considers miles per gallon (mpg) as well as annual fuel costs. Table 3, “Fuel Economy,” summarizes Consumer Reports’ estimates of miles per gallon (mpg) and estimated yearly fuel costs for the three cars. Here the Accord wins the category, with the best overall mpg and lowest estimated yearly fuel costs. The Passat ranks second in fuel efficiency with the Taurus a close third.

## **Recommendation**

The report recommends the Ford Taurus for the choice of company car for the Vice-President of Sales. The Taurus ranked first in 4 of the 6 criteria selected for analysis. The Honda Accord ranked first in 2 of 6 categories, with the Volkswagen Passat tying the Taurus for safety. The Taurus offers clear advantages over the other automobiles in comfort, cost and cargo space, while obtaining a “Best Pick” ranking from the IIHS for safety. Although the Taurus ranks last in reliability, it is still falls within Consumer Reports’ average reliability range. While the Taurus also ranks last in fuel efficiency, the estimated fuel costs do not greatly exceed those of the other cars. Finally, the Taurus has the unique distinction of being the only automobile in the survey that is manufactured by an American company. On the merits, the Taurus earns the recommendation of this report.

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## Appendix: Figures and Tables



**Table 1: Seating Statistics (Source: Consumer Reports)**

<i>Model</i>	<i>Front Shoulder (in.)</i>	<i>Front leg (in.)</i>	<i>Front headroom (in.)</i>	<i>Rear Shoulder (in.)</i>	<i>Rear fore-aft (in.)</i>	<i>Rear headroom (in.)</i>
Ford Taurus	58.0	41.0	6.0	57.0	29.5	3.0
Honda Accord	56.5	40.5	2.0	54.5	30.0	2.5
Volkswagen Passat	55.5	43.0	3.5	53.5	30.0	2.0

**Table 2: Crash Test Results (Source: Insurance Institute for Highway Safety)**

<i>Model</i>	<i>Structure/Safety Cage</i>	<i>Head/neck injury</i>	<i>Chest injury</i>	<i>Left leg/foot injury</i>	<i>Right leg/foot injury</i>	<i>Restraints/Dummy kinematics</i>	<i>Overall</i>
Ford Taurus (2000-2002)	G	G	G	G	G	A	G
Honda Accord (1998-2002)	A	G	G	G	P	G	A
Volkswagen Passat (1998-2002)	G	G	G	G	G	A	G

Key: G = Good, A = Acceptable, M = Marginal, P = Poor

**Table 3: Fuel Economy (Source: Consumer Reports)**

<i>Model</i>	<i>Overall mileage (mpg)</i>	<i>City mpg</i>	<i>Highway mpg</i>	<i>Annual fuel (gal.)</i>	<i>Annual fuel (cost)</i>
<b>Ford Taurus</b>	<b>21</b>	<b>14</b>	<b>30</b>	<b>715</b>	<b>\$1075</b>
<b>Honda Accord</b>	<b>25</b>	<b>16</b>	<b>39</b>	<b>600</b>	<b>\$900</b>
<b>Volkswagen Passat</b>	<b>22</b>	<b>15</b>	<b>30</b>	<b>690</b>	<b>\$1035</b>