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10 TIPS FOR PARTNERING WITH CHARTER COMPANIES

A limousine company president and a motorcoach carrier CEO share tips on how to work with coach companies and reap the rewards.

By Nicole Schlosser

LAS VEGAS — Darren Berg, CEO of Seattle-based MTR Western, and Jason Kaplan, president of Phoenix's The Driver Provider, teamed up at the International LCT Show in Las Vegas in January to share words of wisdom on how limousine operators can partner with motorcoach carriers for added value.

At a time when limousine operators are looking for additional revenue streams, offering motorcoaches as an option can add value, profits, and clients, Kaplan said.

Berg added that the main factor to remember is the significant cultural divide between limousine and motorcoach companies.



MTR Western's
Darren Berg



The Driver Provider's
Jason Kaplan

Berg and Kaplan offered some tips on how to begin the process:

- 01 **Shop around.**
Kaplan emphasized the importance of choosing the right partner since production and presentation will be different. Find a coach company that understands that the business decisions it makes affect the service level it provides. When narrowing down a prospective coach company, schedule a meeting at its office to learn the business. Bring along key personnel. Visit its yard. Look at the equipment exteriors and interiors.
- 02 **Educate yourself.**
Learn the nuances of the motorcoach business. It's important to be familiar with factors such as high-centered vehicles, DOT regulations, etc., to sell the product correctly.
- 03 **Consider younger companies.**
Some of the best, most passionate companies are relatively new, Berg said. "I don't mean to suggest older companies aren't good, because they are, but there's a new generation of coach companies bringing us into the 21st century. They embrace new equipment. There is a fresher approach." He added that some of the largest coach operations in the U.S. operate older fleets.
- 04 **Check safety records.**
The Federal Motor Carrier Safety Administration regulates coaches, and the DOT audits and rates them. Use www.saferysys.org to review safety ratings, but remember that some new companies will not be listed, simply because the DOT hasn't yet had the time to rate them.
- 05 **Consider customer expectations, service standards.**
Make a list of everything that is important to your customers and find a carrier that can provide it all. "They must match your service standards for you to be compatible with them," Berg said. Review factors such as hours of office operation, local or "over-the-road" drivers, uniforms, two-way radios, phone communication, onsite coordination, fleet size and age, and billing.
- 06 **Prepare a toolbox of companies.**
Not all operators are optimal for every type of job. Some specialize in over-the-road work. Some are better at onsite coordination.
- 07 **Review pricing.**
Put a matrix together of the various costs. Consider the effects on your profit margin. Decide whether you will compete with coach companies or be priced higher and sell the added value of your management services. Negotiate pricing and payment terms, i.e., whether you calculate per mile or hourly cost.
- 08 **Look at fleet size, composition.**
This is critical, stressed Kaplan and Berg, because if something goes wrong with a vehicle, will the carrier be able to substitute it? What will they use? Get information on sub-contractors.
- 09 **Encourage invested drivers.**
Berg believes it's better to have one driver using the same coach every day, as it allows him to become more attuned to "his coach" and any potential maintenance issues.
- 10 **Be involved every step of the way.**
Send your own staff to manage the client experience. Call your coach partner in advance of the trip in order to obtain driver phone numbers. Make sure drivers are en route, on location, etc. Get after-hour contact information of office staff. **LCT**