



# Marketing Your Company Effectively to the Affiliate Networks

JOINING NATIONAL NETWORKS MAY SEEM OUT OF REACH FOR YOUR COMPANY RIGHT NOW. HOWEVER, IF YOU EVER WANT TO GET TO THAT LEVEL, IT'S IMPORTANT TO START MARKETING YOURSELF TO THE LARGER NETWORKS.

By Jim A. Luff

When you look at the Top 100 companies in the industry, you might be asking yourself if you will ever become a part of that elite group and what it might take to get there. Whatever the current size of your operation might be, part of your growth efforts must include marketing to the Top 100.

Marketing within a community is something we all do in one form or another every day. Whether it is a Yellow Pages ad, a community sponsorship, or merely a brochure being given out at the local tuxedo store,

we all do our best to make sure we are known in the community we serve.

While these efforts certainly promote the growth of your business locally, it is important to realize that companies on the Top 100 list achieved that level, for the most part, by selling their services in *many* communities. While they didn't open up a branch office in every little town across America, they built a network of providers just like you.

When you think of the "big boys," as they are widely known, you certainly think of BostonCoach, Carey

## HOW TO SHINE LIKE A STAR

There are a few things that are sure to get you noticed in a positive way:

- Never misrepresent your fleet by age or color of the vehicles.
- Always be 15 minutes early to a job.
- If you are going to be late, call the network dispatcher.
- Report progress regularly such as: vehicle on location, passenger onboard, dropped, etc.
- Provide the network an invoice within 24 hours so they can bill their client.
- Never mention or market your company name when working for a network.
- Make sure your vehicles are in immaculate condition.
- Chauffeurs are to never speak unless spoken to.
- If anything unusual happens, notify the network dispatcher immediately.

International, EmpireCLS, and Music Express. Music Express started as a small messenger service and over time grew to a limousine company with offices in Los Angeles, Washington, D.C., San Francisco, and New York City. A little company known as Charlie's Limousine Service eventually became known as simply CLS. As you probably know, CLS was eventually absorbed into Empire International and became known as EmpireCLS, and is now one of the largest companies in the industry. Everyone has to start somewhere.

These large companies have expanded their presence around the globe through an affiliate network of independent limousine services. It allows them to provide service virtually anywhere for their clients. Customers like making a single call to arrange service anywhere they may be traveling to.

By becoming a provider for one or more of the affiliate networks, you increase the service level you are able to provide to your own clients. This is one form of growth for your own company, as you can let your clients know that no matter where they travel to, you are a single point of contact for your own clients. Be sure to share this information with your local newspaper by doing a press release indicating that you have joined a network of limousine companies as an affiliate.

The second part of growth by affiliation is the new orders you receive from the networks that you may or may not have obtained on your own. Regular clients of worldwide networks will



## REALLY GET NOTICED

It is really not enough to just submit an application and hope for the best. In order to really become noticed, you must realize that relationships are built on a level of trust. Relationships are cemented based on face-to-face interaction. Most of the big companies are members of the NLA and their state associations. You will find most are very proactive in attending meetings as well as lending financial support to the associations. Take every opportunity to attend meetings that are within your traveling distance. There is no substitution for sharing cocktails or a meal with the affiliate managers or other employees from the big networks.

One of the absolute best places to get noticed and build a friendship is to attend limousine trade shows. The International LCT Show offers an entire night for visiting hospitality suites hosted by the big networks. These parties allow you to not only meet the managers of the big companies but to interact with your peers who may operate a similar size limousine service to your own.

rarely search for a limousine on their own. Once the network takes the order, they obviously need to find a company to service the job. Likewise, networks don't generally seek out a limousine service to fill the order. Instead, they go to their database of established providers and even if they have to pay travel time, they will opt to do so over risking a run going bad by an unknown operator.

### Getting Noticed

The large networks don't usually look for providers unless they have a job to fill in an area where an affiliate does not exist. If you wait for this to occur, you may or may not get the order. It is better to call upon them, establish yourself with them, and provide the required documentation in advance.

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Each of the networks employs an affiliate manager who gathers information about limousine services around the world. This information includes rate information, fleet information, company history, references, and similar information. Call each of the networks you wish to associate with and ask to speak to the affiliate manager to ask for an application package. Be prepared to disclose your insurance information, including vehicles insured by their VIN (Vehicle Identification Number). You will need to state how long you have been in business, provide a copy of your authority to operate, and may be asked to provide a few client references. You will also be requested to provide a certificate of insurance naming the network as "additionally insured" under your policy.

This may seem like a lot to go through on the chance that you may or may not get business from the network. But remember, you are asking them to trust you with their clients. In the event anything were to go wrong, the network wants protection from your insurance carrier, and they need to be able to demonstrate that they did due diligence research before allowing their client to enter your vehicle on their behalf.

### How Affiliate Systems Work

There are three different types of "affiliate" programs. The first is a loosely knit group of companies that know each other and share business back and forth. In this arrangement, there are no

**Keep in mind that taking a credit card will decrease your profit even more by adding as much as a 4% discount payable to the credit card company, pushing the overall discount closer to 25%**

contracts, no insurance certificates, and no applications. These relationships usually exist within the same city or in limited geographic areas.

The second type is the more formal relationship between a network and the affiliates who have completed the paperwork and are considered official affiliates in the network database.

The third is a franchise agreement. Under such terms, an operator can purchase a franchise from companies such as Carey International. An initial investment is made for the purchase of the franchise. The franchise gives you exclusive rights in a specified area. It gives you the ability to use the company logo and branding on your letterhead, business cards, website, and vehicles. It provides you with set company procedures and manuals, as well as corporate support of your operations for a monthly fee based on a percentage of your sales. The franchisee benefits by nationwide advertising and access to the company computer system to place and receive orders.

Under the first two arrangements described above, one company gives the other an order to fill. The order may come by phone, fax, or email. If you choose the latter, you must have someone check e-mail hourly as many orders are for same-day service. The company receiving the order then takes the order and subtracts 20% of the base rate as a "commission" to the company sending the order in. The 20% rate is considered the industry average. You may offer less of a discount if you wish. Some may require more just to do business with them. Make your decision based on what works best for you financially.

Payment can come in the form of

a credit card or you may offer to bill the company giving you the order. Keep in mind that taking a credit

card will decrease your profit even more by adding as much as a 4% discount payable to the credit card company, pushing the overall discount closer to 25%. If you elect to wait for payment, most networks request a payment term of net 60 days. If you can't afford to wait two- to-three months for payment, insist on a credit card. **LCT**

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