

Savings & Survival

Longtime operator offers some financial survival tips for charter and chauffeured operators alike

By Sue Jarvis

I have owned my chauffeured transportation service near Detroit for 22 years. Since August 2008, we have seen a serious decline in business, as have most operators nationwide.

During such difficult times, it is vital to keep a positive attitude and never give up, or even think of it. I believe in the law of attraction — what we really believe and think we attract to ourselves.

So I asked, what can I do to run a profitable transportation service in these times? My goals are to lower expenses, maintain current clients, and gain new ones.

I want to share with you what I've done to lower bills, broken down by office and general expenses, vehicle expenses, and advertising. Make sure to get all quotes and final rates in writing!

12 Ways to Cut Office/General Expenses

1 I've seen the biggest savings come from lowering my credit card processing rates. In August, I talked to a consultant about lowering expenses. He told me to take a good look at my processing fees. My statement said I was at 2% on Mastercard and Visa transactions. After evaluating it closely, I realized I was paying 3.2% after all the extra hidden fees were tacked on. I did get an \$800 refund from the company for the overcharges. Working with this company was a nightmare; my calls were not returned. I totally got the



run around about my rates for three months. I will never use them again. I compared rates with three new companies and chose Century Business Solutions. Century's representative, Olya Mesheryakova specializes in transportation, and answered all of my questions and concerns.

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2 Ask your landlord to lower your rent. If you own the building, look at lowering your mortgage by getting a lower interest rate. Rates are falling. Mortgage companies have special programs for people facing hardships. Most mortgage companies would rather work with you versus taking back property that has lost value. Call them and visit their websites for more information.

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3 I cut my office staff and am putting in lots of hours in the office instead of paying someone else. Make employees accountable for their work. Focus on what your compa-



Advertising Dollars and Sense

- **TAKE A HARD LOOK AT EVERY ADVERTISING DOLLAR SPENT**, especially if you are still advertising in the Yellow Pages books. I cut my pay per click programs by half. I put most of that money into optimizing my website to gain natural "organic" rankings on the Internet. Track how clients heard about your company and adjust accordingly.
- **TAKE ADVANTAGE OF NETWORKING OPPORTUNITIES**. People like to do business with people they know.
- **ENCOURAGE YOUR CHAUFFEURS AND DRIVERS TO PROMOTE YOUR COMPANY** and let them know if you offer worldwide transportation. Give them a bonus if they bring in new work.

ny really needs and work toward that goal. Nobody runs your business like you do. Get rid of unproductive/counterproductive employees; they are a huge drain on your bottom line over time. Cut office hours if you can.



“If you feel like you can’t ask an employee a legitimate question about the business and work they are doing without offending them, something may be wrong.”

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7 Never again will I let anyone sign my company checks. This is a hard lesson I learned. By letting someone else write and

sign your checks, you don’t have control of your money.

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8 Bank fees. All of your checking accounts should be free. You should have a 13% or lower interest rate on your credit cards. If you don’t, see about consolidating them into one loan through your bank or trusted credit company.

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9 If you do have credit card debt, pay off the highest interest cards first, then work on paying the next lower one, etc. When paid off, don’t close the account since this will lower your credit score. Just put them away and don’t use them if you can.

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10 Shop financing companies for the best rate on new vehicle loans. Watch for processing fees/and extra added on fees.

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11 Use your local barter association if they have members that you can use for office expenses and bonuses (printing, etc). This year, things were tight so I gave bonuses out in trade vouchers. Limit barter to weekdays and non-busy dates. Gratuity must be in cash, not trade.

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12 I lowered the value of my office contents for a \$400 savings per year. This may not be for everyone, but if you are high on your contents you probably won’t get the money anyway from insurance if something happens. Take pictures of your contents — especially computers and expensive equipment.

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Economizing on Insurance/Vehicle Costs

- **TAKE A HARD LOOK AT YOUR PROFIT PER UNIT.** If a vehicle is not profitable, sell it.
- **WHEN SHOPPING YOUR INSURANCE RENEWAL**, consultant Tom Mazza says he works with two independent agents that save his clients money 75% of the time. Nothing is set in stone here. Shopping for companies at LCT events also is a great way to meet new insurance contacts face to face.
- **TOM MAZZA ALSO SUGGESTS** looking at raising your deductible. No operator in the country is going to turn in an \$1,800 insurance claim. He says go to your body shop and repair shop and negotiate a better “out of pocket” rate. I sincerely hope this helps you save money and run more efficiently. I wish all operators the best of luck in lowering your costs and running a profitable company in 2009. **LCT**

