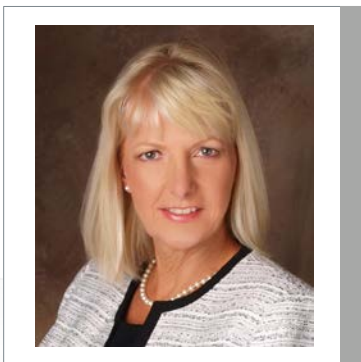


Unleash the Benefits of an Effective CTP



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Learning Objectives

Upon completion of this workshop, you will be able to:

- 1) Explain why a dealership needs a Courtesy Transportation Program (CTP)
- 2) Prepare twelve customer-facing procedures
- 3) Implement five procedures to avoid losing money on a CTP
- 4) Apply six CTP fleet management techniques

You will also learn about CTP nuances, going retail, and how technology can help!

Why does a dealership need a CTP?

- Recognizes the main pain point of service customers: being without their vehicle

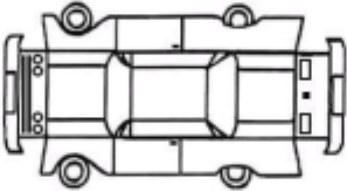


- Guarantees use of your brand
- Increases your CSI
- Increases your Used Vehicle Inventory
- Keeps you close to your customers so that they don't have to go somewhere else
- Almost every OEM now has formal CTPs with reimbursements & incentives

Customer-facing Procedures

- Centralizing the service: use one person or "desk"

- Review the check out and check in processes with cashier, service advisors, or dedicated CTP personnel to make sure that they are swift and efficient. Deliver Top Notch Service!
- Train on loss prevention: proper walk-around procedures (pre and post rental inspections). Be sure to accompany the customer when inspecting the vehicle. GIVE EXAMPLES of how this helps the customer register what the vehicle looked like before they drove it off the lot. Rub the hand over it, look over the top, then have the customer INITIAL the vehicle damage slip. It only takes 90 seconds.

DAMAGE DESCRIPTION	
<p>Initials _____</p> 	<p>Condition Out:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Condition In:</p> <p>_____</p> <p>_____</p> <p>_____</p>

- Be sure to “check in” vehicles in whatever system you use as soon as they are returned!
- Once checked in, inspect the vehicle for damage! Do not allow customers to just leave the car in the lot. If there was damage, they can try to claim that someone else in your lot caused it!
- Ensure that all personnel are using the proper vehicle for the proper loaner situation.
- Take reservations
 - ✓ From your website (we have Erez and the OTA API)
 - ✓ Via products such as Xtime, TimeHighway, etc.
 - ✓ Book accurate appointments by matching vehicles with customers. In the case of larger fleets, matching customers with vehicle classes.
 - ✓ Match loaner units with customers based on relevant criteria such as vehicle size/model and features/options.
- Reasons you need to make reservations:

- ✓ Achieve consistently higher fleet utilization
- ✓ Create upgrade opportunities to promote premium models and future sales
- ✓ Increased CSI by assuring availability

- Sending your customers to other companies:

- ✓ Can lead to weakened customer relationships
- ✓ Brand defection
- ✓ Lost service and sales opportunities



- Create customer qualification process, especially for additional drivers
- Follow up on overdue vehicles by contacting the customer
- If possible, wash vehicle after customer returns
- Prepare in the evening for the busy morning!

Avoid Losing Money: Evaluate your five (5) out-of-pocket dealer costs to see if they can be passed on to the customer. These would include:

- Fuel: instead of topping off fuel, just send your vehicle out at the same level it was at the check in. Instruct your customer to bring the vehicle back at the same level! A HUGE advantage of operating this way is that the customer will almost always bring the vehicle back with more fuel than when they first drove off. There are devices which can send the fuel level/cost directly to your software. This alone can make or break your operation.
- Fees (such as Domestic Security Fee)
- Damage
- Cleaning

- Baby/Child Seats
- Parking Tickets/Toll Violations. There are software interfaces which automatically detect if a vehicle went through a toll, then the fees (the toll or parking ticket fee, PLUS an admin fee) can automatically be applied to the loaner agreement.



CTP Fleet Management Techniques

- Formally enroll in OEM Program, then track parameters for minimum and maximum:
 - ✓ Mileage,
 - ✓ Time in Service, and
 - ✓ Number of vehicles (as a factor of the number of Repair Orders)



- Create processes for grounding vehicles based on above parameters
- Include vehicles in your CTP which have popular features, such as sun roofs or upgraded sound systems. Why? Think of your CTP vehicles as pseudo test drives! SHOWCASE the latest model cars.
- Create Non-Revenue Move procedures for Employee Use
- Create procedures for handling license registration renewals

- Create processes for addressing parking tickets and toll violations
- Fleet Maintenance:
 - ✓ Clean the vehicle's interior (use a handy vac) and exterior before giving the vehicle over to the customer.
 - ✓ Provide at least a quarter tank of gas. Explain that the vehicle should be returned at the same fuel level. If not, you SHOULD charge for it, especially if fuel prices keep going up!
 - ✓ Follow recommended maintenance schedules: Track each vehicle's maintenance activity and repair schedules. Keep records of significant damages or problems.
 - ✓ Recalls: The Safe Rental Car Act went into effect on June 1, 2016. It makes it a violation of federal law for car rental companies with fleets of 35 or more rental vehicles to rent, loan or sell cars under open recall. The bill is named after sisters Rachel and Jacqueline Houck who were killed in a motor vehicle accident while driving a rental car that had been recalled for a power steering hose defect but had not been repaired. Therefore, you need to create procedures for handling recalls. Some OEMs have a VIN download process for this.



Nuances: Be carefully aware of these

- Factory Incentives: Daily reimbursement amounts from the OEM differ by reason for service:

- ✓ Recall
- ✓ Warranty
- ✓ Service
- ✓ ...and the type of vehicle owned by the Customer.

Vehicles provided to customers for warranty recall are reimbursed by the OEM to the dealers at rates ranging from \$25 to \$45 per day. However, you can certainly charge a customer for a loaner if they are simply bringing their vehicle in for service. This practice is just referred to as “Customer Pay”.

- Insurance:
 - ✓ Insurance will be effective for each vehicle when the vehicle is reported in the OEM’s system and the Courtesy Transportation cash incentive is claimed. Insurance for vehicles added to the CTP are usually underwritten by and administered through third party vendors.
 - ✓ Such insurance will provide dealers with a layer of protection between the customer’s insurance and the dealer’s garage policy.
 - ✓ Charges for the cost of the insurance premiums and related fees must be paid by the participating dealer.
 - ✓ Companies such as Zurich or Sedgewick are the underwriters for the programs.
 - ✓ The coverage is usually for \$10,000,000 dollars.
 - ✓ Note: you will always want to obtain the customer’s insurance information: company name, policy#, and expiration date.

Rental Reason:

Ref #:

DOB: ?

E-Mail:

DL #:

St: Exp.:

Ins Co.:

Policy #:

Exp.:

- **Loaner Agreements:**
 - ✓ OEMs will provide the multi-part forms or format/verbiage for your software.
 - ✓ With software, a duplex printer must be used.
 - ✓ These should be filled out as completely as possible.
 - ✓ State-specific Terms and Conditions will appear on the front and back.
 - ✓ The OEM may also have specific Terms and Conditions.
 - ✓ You will print TWO copies of the agreement: have the customer sign the one that you will keep on file. The other copy is given to the customer so that he or she can put it in the glove compartment of the vehicle.
 - ✓ This is the same process as when you rent a car. If you are pulled over by the police, the agreement serves as proof of possession.

Go Retail? Determine the feasibility of a dual loaner/rental business model if desired. Retail rentals would also entail:

- Leveraging your brand name, location, customer base, and infrastructure to create a new profit center. Expenses such as rent and facility insurance can be shared.



- Since you will now be charging for rentals, you need to develop rate yield revenue management strategies. That is, your retail rates will fluctuate based on seasonality, events, utilization. You will also need to shop your competition.
- Selling upgrades and ancillary products (for licensed non-PDP insured participants):
 - ✓ Accrued Rental Income
 - ✓ Rental Income (T&M)
 - ✓ Additional Driver
 - ✓ Collision Damage Waiver
 - ✓ Personal Accident Insurance
 - ✓ Personal Effects Coverage
 - ✓ Supplemental Liability Insurance
 - ✓ Under Age Driver
 - ✓ Upgrades
 - ✓ Baby Seats
 - ✓ GPS Devices
 - ✓ Road Side Service Assistance

- ✓ Toll Road Transponders
- Stimulating sales channels through local market sales calls, local business referral programs, online organic advertising, PPC campaigns, and social media promotions.
- Some good examples of dealerships who opened Retail Rental Departments include:
 - ✚ Capital Ford, Raleigh, NC
 - ✚ Bald Hill Dodge, Warwick, RI
 - ✚ Charles Gabus Ford, Des Moines, IA
 - ✚ Danvers Ford, Danvers, MA
 - ✚ Matthews Paoli Ford, Paoli, PA
 - ✚ Molle Chevrolet, Blue Springs, MO
 - ✚ Royal Oak Ford, Royal Oak, MI
 - ✚ Withnell Dodge, Salem, OR

Let Technology Help

- Point of Sale Systems: Data Entry – makes for Legible Contract Agreements (as opposed to hand-written ones). Software will help catch and calculate correctly any charges such as FUEL or any types of fees you pass on to the customer, including Damage, Cleaning Fees, Parking Tickets, Tolls, etc.
- Dealer Management Systems Integration: Pull over customer data from, then post accounting to, your DMS! There are certified interfaces with CDK, Reynolds, Dealertrack, and Auto/Mate.
- Dashboards
- Scheduling: Res Planner

Dashboard **Res Planner**

Search
 Location: Corp, Downtown, Main, Repairs
 Class: Comp, Mid, Sport, Lux
 Start: Jul 2017, End: Aug 2017, View by: Days, Unit: Search

Unit	July 2017																		
	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
Unassigned			Melon, Ellen								Farrell, Carol Res# 252								
Mid (Main)																			
1011																			
1011B			Bear, Teddy Res# 253																
1020			RA#																
1023																			
1024			RA# M204251 Due																
1027			Grounded																
1029			RA# M204259 Due 07/19/17 @ 12.51																
1040			RA#																
1041			RA																
1045			RA# M204264 Due 07/09/17 @																
1046			RA# M204265 Due 07/08/17																
1080			Grounded																
1119			O/S - Problem																
1120			RA																
136			For Sale																
1589			RA# M204240 Due 07/26/17 @ 13.56																

Unassigned Reservations

Date	Time	Name
07/05/17	9.00	Melon
07/11/17	8.00	Farrell

Conflicts


Unit	Date	Time
None		

- Vehicle Maintenance: based on mileage and or number of days. You can create as many Maintenance Procedures as you want!
- Mobile Apps: check out using a tablet, or check in customers using a smartphone (or tablet). These will allow you to be with your customer in the Service Bay or outside in your Parking Lot.
- Credit Card Processing: if you take credit cards for any charges, this is integrated with the software. Chip & PIN devices will be used.
- Website integration: allow loaner cars to be reserved from a website. The vehicles available are shown in Real Time. Once the reservation is made, it is instantly loaded into the database.
- Fuel: track usage by vehicle
- Non-Revenue Moves: create tickets and track vehicles

Capital Auto Rentals

https://capitalautorentals.com

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Best viewed in browsers Firefox & Chrome. If you can't view reservation form below
[click here for Capital locations](#)
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Enter Zipcode

THANK YOU for attending!