

# 7 MOST Innovative Motorcoach Operators

**W**hen an already competitive industry becomes plagued by the woes associated with a poor economy, an inflated insurance market and the constant threat of terrorism, innovative strategies are an operator's only recourse.

For this reason, it was difficult to select a group of innovative motorcoach operators for 2004. However, the staff of METRO feels confident that within these pages you will find plenty of fascinating ideas used by

Back for another round, this year's list of innovative operators includes the small and large in both the U.S. and Canada. The following profiles are saturated with stories of how these companies stay ahead of the curve.

**By Staff Writers Beverly Braga, Kristen Force, Yvonne Klopping and Joey Campbell**

operators to keep the wheels rolling, literally and figuratively. Diversifying services, offering promotions and developing special attractions are just some of the tactics employed by this group of seven exceptional businesses.

Operators were selected through nominations from readers, Website visitors, industry experts and our Editorial Advisory Board. We hope you enjoy reading these profiles as much as we enjoyed writing them.

# Diversifying is the key

## COACH USA SHORTLINE Mahwah, N.J.

**C**oach USA Shortline does an incredible amount of business. Transferring people all over greater New York City through a range of connections and commuter services, the operation also offers long distance charters, sightseeing tours to venues such as Atlantic City and the Finger Lakes and an extensive travel network to students at a half dozen local colleges. Shortline also keeps the ball rolling by acting as a full-service travel agency and performing transportation planning services for local municipalities.

Scheduled line is the focal point of business for Shortline, and the extensive bus network has multiple connections with other private operations and several public transit properties. In fact, having a strong relationship with the public sector is a big priority. Says Christine Falzone, director of sales and marketing, "We don't compete with the public transit agencies around here; we actually compliment them and that's a big advantage to us."

To keep things running smoothly, Shortline is constantly looking for new opportunities. Recent changes have separated it from run-of-the-mill charter companies, including selling monthly ticket packages on the Internet, implementing automatic vehicle location systems in the fleet and exploring a transition to smart-card technology. "Right now, using our Website as both a communication source and a sales opportunity is something we see as very important to new business development," says Falzone.



*Coach USA Shortline performs a range of services, including a scheduled transit line, long distance charters and transportation planning.*

Shortline has also been impressive in its ability to avoid the hardships of a weakened economy. Diversifying business into multiple market segments has kept revenue steady. But, according to Falzone, avoiding the nationwide slump has also been a game of chance. "Higher airfares and people's fear of flying may have induced people to ride buses," she says. "And commuters facing higher fuel prices have also induced people to ride buses more. So, fortunately, we have weathered the storm pretty well."

Equally important to the many business and marketing decisions that have allowed Shortline to excel is an ongoing initiative to keep drivers prepared for anything. Bus operators are continuously given additional training on the rigors of intercity routes, which expose them to a wide variety of people and environments. During the past year, drivers completed a training course on dealing with disabled patrons and the demands of the Americans with Disabilities Act.

In truth, Falzone says that there isn't a definitive secret to making Shortline an "innovative operator." Rather, she says, staying in front of the customers and keeping in tune with the marketplace is what it's all about. "You have to know what they want, where they want to go, how they want to get there, when and how frequently," she says. "We do it by getting on the phone, speaking with people and putting our personnel in front of the customer. We stay approachable and keep the doors and windows open."

## At a Glance

**Fleet mix:** 191 MCI, minibuses, trolleys

**Employees:** 300

**Drivers:** 150

**Year started:** 1922

**Service area:** New Jersey, New York, Pennsylvania

**Service offered:** Charter, tour, sightseeing, travel agency, transportation planning

**Annual ridership:** 2.7 million on scheduled line

# 93 years of customer satisfaction

## INDIAN TRAILS Owosso, Mich.

**Y**ou can find a cheaper motorcoach ride in southern Michigan, but **Gordon Mackay**, president of **Indian Trails**, doesn't think you'll find a better one. It's a point of pride for the 93-year-old company, whose formula for success is very simple: listen to the customer and understand the real cost of doing business.

Founded in 1910 by **Cora and Wayne Taylor**, the business has always been responsive to the shifting demographic winds, expanding its line service when the automobile industry in Flint, Mich., emerged, partnering with **Greyhound** during the Depression, moving troops during World War II, and adding charter service in the post-war years.

Charters now represent 70 % of Indian Trails' operation, and were hard hit by the events of September 11. With a characteristic attentiveness to the market, the company preemptively downsized its fleet by 10 buses in 90 days. Mackay says that although they lost money on the sale of those vehicles, cutting costs was the only way to offset what would turn out to be a 30 % drop in revenue.

"We felt we needed to do that...As the economy builds, we'll increase the charter fleet," he says.

Investing in new vehicles is a constant project for the company, which normally has no coaches older than seven to 10 years. The fleet replacement program has included the purchase of new vehicles for 91 of its 93 years in business (the two excep-



*Indian Trails has a fleet of 50 MCI and Prevost buses.*

tions were in the 1930s). Next spring, half of Indian Trails' buses will be 2002 models or newer.

The company also noticed that its 47-passenger buses were selling out faster than those that seat 55, an observation that allowed them to increase passenger leg room: new 45-foot buses are outfitted with the more popular 47 seats, instead of the standard 55.

Other details that reveal the company's focus on rider comfort include being among the first to carpet sidewalls and ceilings and install VCRs, and adding mini-galleys to the back of certain coaches. Behind the scenes, vehicle maintenance is a priority from the day coaches arrive on the lot, and newly-hired drivers receive six to eight weeks of in-house training.

This sensitivity to what makes a good motorcoach experience is expensive, but according to Mackay, there is no substitute for experience when calculating the cost of customer safety and comfort. He estimates that Indian Trails' prices run about five to 10 cents higher per mile than its competitors'.

"[Customers] don't mind paying a little more for a quality bus and a quality driver and a comfortable trip. It's just been good business practice for almost one hundred years," Mackay says.

Providing the best possible service and selling up in the marketplace while setting a fair price has given Indian Trails longevity and a devoted ridership of return customers.

"The customer is king, the ultimate boss," Mackay says, "Everything we do is geared toward him."

## At a Glance

**Fleet mix:** 50 MCI and Prevost

**Employees:** 130

**Year started:** 1910

**Service area:** Charter in southern Michigan; route service extends throughout Michigan and includes gateway point in Chicago

**Service offered:** Charter shuttle and regular route service

**Average annual mileage:** 3 million

# A personalized travel provider

## PRIVATE MOTOR COACH INC. Whitehouse, Texas

**E**d Lonsbary joined the motorcoach industry intent on focusing his services on quality instead of quantity. His goal is to provide each customer with first-class, personalized service, regardless if annual ridership reaches no more than 30.

As president, Lonsbary started Texas-based **Private Motor Coach** to give travelers an alternative to airlines, and offer a service that is beneficial to those who have difficulty traveling or do not want the hassle of airline, hotel and rental car reservations.

Careful research of the industry and market trends gave Lonsbary the idea to pursue a demographics segment not often tapped: baby boomers.

He says this method of travel is appealing because someone else drives and makes all the arrangements while the passengers can relax and enjoy the scenery. Passengers have no problem getting comfortable in the converted coach, named "Patty's Charm," which looks more like a miniaturized version of home than a bus.

Guests have access to a full kitchen, bathroom, bedroom and living room while on their trip, which typically lasts three to four weeks. As the only driver, Lonsbary usually carries two to four people, but he can take up to 10, depending on the trip. Spending 20 to 30 weeks on the road each year, Lonsbary is selective about the trips he decides to take based on distance and amount of time necessary. Being away from home can be difficult, but Lonsbary says he enjoys it because of the people he meets.



*Private Motor Coach Inc. offers personal escorted travel services for intimate groups.*

Lonsbary also receives help from his wife Patty who contributes her expertise in marketing and public affairs to the business. "You've got to have a good partner to run a business like this, and I have a great one," he says.

Most of the company's marketing is done on its Internet Website and through selective advertising to reach a specific market segment. Private Motor Coach's personalized service begins by picking customers up anywhere in the United States or Canada and then continuing on to their desired destination. Trips usually cost between \$500 and \$600 per day, with a reduced price for deadhead time when the bus is repositioned before or after a trip. Lonsbary says he tries to minimize expenses and overhead costs to provide reasonable rates for customers. Most of the business stems from adult children wanting to send their parents on a trip or from couples who want to travel together.

Although business has been affected by the nation's economic slump, Lonsbary predicts a steady increase in the next few years. He has even received a few inquiries from international travelers and is considering adding a second bus to the operation.

"This is a lifestyle choice for me," says Lonsbary. "My purpose is not to make tons of money, but if you love what you do, the money will follow."

## At a Glance

**Fleet mix:** 1 MCI

**Employees:** 2

**Year started:** 1999

**Service area:** Alaska to Costa Rica

**Service offered:** Personal escorted travel for groups of up to 10

**Average annual mileage:** 35,000 to 40,000

# No trouble in 'Paradise'

## PARADISE TRAILWAYS West Hempstead, N.Y.

**T**his year Paradise Trailways of West Hempstead, N.Y., celebrates 17 years in the motor-coach industry, but during that time the company saw more than its share of struggle.

In what Vice President Godfrey LeBron refers to as a "devil's pitchfork," the company has faced many financial woes beginning with the Sept. 11 attacks.

"The psyche of the entire Northeast changed," says LeBron. "It's one thing to hear about it, but when you find yourself transporting a hockey team of which two of the children lost both parents on that day, it takes a different impact."

The majority of Paradise's business is student travel. Covering everything from sports team road games to regional field trips, fewer and fewer of those trips were planned.

"School districts basically suspended travel," says LeBron. "We have just been in pure survival mode."

In fact, 2-1/2 years later, some districts are only now scheduling field trips again. Still, some activities are restricted to the surrounding Long Island, N.Y., area, erasing past destinations, such as the Bronx Zoo, from itineraries. More distant locales like Baltimore and Washington, D.C., both of which are roughly 4-1/2 hours away, are not even considered.

Surviving one such event is difficult enough, but the addition of two more left LeBron thinking, "What else can go wrong?"



*Founded by Godfrey and Lauren LeBron, Paradise Trailways has been providing New York-area service since 1987.*

The SARS outbreak, along with the fear of war in Iraq, not only further postponed travel plans but also wiped some out completely. May, for example, is traditionally a strong month for Canadian travel, but with the SARS scare, even trips to Quebec, hundreds of miles from Toronto, never materialized.

But Paradise refused to fold. Instead, the company focused on the business that continued to flourish despite the tragic events and did what it could to cut costs and streamline operations.

For one thing, since wedding charters remained strong, marketing for that sector increased, specifically through networking with limousine companies.

"People were still getting married," says LeBron. "The cancellation rate was almost zero, something I noticed remained consistent."

The cancellation policy itself also changed. Due to the alarming rate of last-minute cancellations coinciding with world events, the policy changed from a prior notice of two weeks to 30 days. Paradise does work with customers who want to reschedule their trips, often waiving the fee.

"It was key to our survival," says LeBron. "For example, an entire day's business sometimes consisted of school travel, and to resell all of those coaches within a two-week window was nearly impossible."

LeBron implemented other changes, including switching to a Nextel communication system, upgrading computer software and transitioning into a Web-based operation. In the wake of major adversity, Paradise managed to stay afloat by making little adjustments, which resulted in a great impact.

## At a Glance

**Fleet mix:** 8 MCIs

**Employees:** 25

**Drivers:** 16

**Year started:** 1987

**Service area:** New York City, Long Island, N.Y. and Northeast

**Service offered:** Charter and tour

**Average annual mileage:** 400,000

**Average ridership:** 100,000

# A fundamental approach

## PACIFIC MONARCH Monterey Bay, Calif.

Success doesn't come from having the highest profile, but through diligent attention to doing the essentials correctly, says **John Leding**, president of **Pacific Monarch**. Leding built his business on a foundation of quality service and has not let that standard slide over the years. He says his goal every day is to move people safely and efficiently.

"Everybody says that, but we do this very well 3,000 times a year," says Leding.

Pacific Monarch's business focuses on the local market in Monterey Bay, Calif. It transports senior groups, students, associations and corporate groups to locations throughout California and the western United States.

Like everywhere else, the struggling economy has been felt at Pacific Monarch, but the company has been able to maintain its fleet of vehicles while many others have been forced to downsize.

Leding attributes this to consistent good service and smart business sense. "A bus operation should be run from a financial standpoint. You might have lots of buses, but if your books are in the red, you're going to have a problem."

Focusing on what he and his staff can do well is what Leding says has reaped the most rewards. He tries not to get distracted by what other companies are doing or the latest gimmicks in the market.

Regardless of the business climate or the amount of people traveling, Leding says he will keep doing



*Pacific Monarch strives for the very basic goal of safe and efficient transportation.*

what he does best and will continue to offer each customer a high level of service.

An understanding of customers has organized Pacific Monarch's priorities. Leding recognizes that passengers want a safe ride with a knowledgeable driver on good equipment, and this is what is provided.

"Customers are only as satisfied as their last ride," says Leding. "That is why consistency is so important."

Some operators buy more buses at every opportunity before evaluating how profitable they will become, Leding explains. Unfortunately, this often leads to no profits.

Being able to identify the essentials of the operation is key, Leding says. For example, when conducting preventive maintenance, operators should be aware of the life of different parts and know which ones need to be replaced and which can last longer.

"We know where to spend our money effectively," says Leding. This has allowed him to maintain top customer service while operating cost-effectively and competitively.

"Engaging in a price-cutting downward spiral is just simply bad business when you have the hard evidence that all your expenses are increasing," he says. "When price becomes the sole reason for having the customer, there will be no loyalty from that customer. Our industry would benefit from exercising restraint in slashing our prices to garner market share; it hurts all the motorcoach operators."

## At a Glance

**Fleet mix:** 16 motorcoaches (10 Setra, 2 Krystal, 4 El Dorado)

**Employees:** 25

**Year started:** 1985

**Service area:** Monterey Bay, Calif.

**Service offered:** Charter

# Coach version of Air Force One

## WINN TRANSPORTATION Richmond, Va.

**F**ather and sons team, Robert, Mark and David Ponders of Winn Transportation in Richmond, Va., rescued their business from a post-Sept. 11 economic slump by building an Air-Force-One style charter bus to attract tour groups traveling to Washington, D.C.

Reminiscent of Bill Clinton's "road warrior" days, when the former president traveled the country by motorcoach, the Ponders family created the Presidential, an eye-catching charter bus with an official-looking seal, the authoritative brand "United States of America" emblazoned on the sides and American flags painted over the rear windows.

"There's no regularity to it, but the Presidential probably stays out more often than any other coach we have," says Mark, director of operations at Winn. "On the average, the yearly bookings come out to about 240 days out of a 365."

The luxury tour bus, which cost the Ponders \$400,000 to build, is painted light blue and white with blue and gray seats. The Ponders sought approval for the Presidential's design from the U.S. Secret Service, which advised the coach company to add the disclaimer, "Not associated with any agency of the United States government."

Adding the Presidential to their fleet has carried the Ponders through some rough times, as one in 10 charter bus companies in the area have gone out of business since fall 2001 due to canceled tours to New York and Washington. Winn is now



*Winn Transportation built a coach modeled after Air Force One to boost customer interest in D.C. tours.*

Richmond's second-largest charter bus operator following James River Bus Lines.

Large corporate clients, such as the privately owned Capitol One Financial and Phillip Morris USA, which has made Richmond its new corporate headquarters, have also been instrumental with Winn's success. With annual sales of about \$1.5 million, Winn Transportation has a fleet of 24 charter buses, trolleys and minibuses and a staff of 12 full-time and several part-time employees.

Winn Transportation was founded in 1958 by George Minor Winn and was taken over by Robert Ponders, son-in-law to Winn, after Winn retired in the mid 1960s. Mark and David have run the family-owned business since 1991, after their father underwent triple-bypass surgery.

Mark has an optimistic view about his family-owned company, but understands the fluctuating nature of today's travel market. The family is developing its current marketing plan and ironing out the details of an Internet-based link to other operators.

"It's a networking opportunity for people, both within our industry and in the travel industry," says Mark. "The marketing plan should take advantage of metropolitan bus services as well. We're hoping to bring the three together in some sort of a conducive format that everybody can use and work from."

The Web service would be proprietary because Ponders doesn't want it to become competitive. We would try to stick with one operator in each area that consistently provided the service so that it was one stop but without worrying about the quality of the product."

## At a Glance

**Fleet mix:** 24 MCI, Prevost and Eldorado National

**Employees:** 40

**Year started:** 1958

**Service area:** Virginia and Washington, D.C.

**Service offered:** Charter, tours, corporate meetings and conventions