



Easing event parking management headaches

how the right revenue control system
can solve event parking problems

A thought paper from T2 Systems

About T2 Systems

Since 1994, T2 Systems has delivered proven parking solutions that meet the ever-changing needs of the parking industry. This commitment is evident in T2's quality products and services, thought leadership and strong customer relationships. With its broad range of software, hardware, management services and technology services, T2 Systems is trusted by more than 300 organizations in the United States and Canada including universities, cities, towns, hospitals and airports.

T2 Systems is headquartered in Indianapolis, Ind. and has virtual offices throughout the United States and Canada.

For more information on how T2 Systems can help you manage parking more efficiently and effectively, call 800-434-1502 or visit www.t2systems.com.

EVENT PARKING INDUSTRY CHALLENGES

Event parking generally requires quick dispersal from the lot after an event. For this reason, payment frequently happens upon entry of vehicles into the lot, and it must happen quickly to avoid vehicle queuing.

Event parking happening in lots without entry lane revenue control equipment, or no revenue control equipment at all, results in cash payments taken by attendants. This creates multiple issues including profit shrinkage (averaging from five to 40 percent), long and inefficient reconciliation procedures following events, not to mention staff safety issues and reduced customer convenience.

Many who are responsible for managing or coordinating event parking are concerned with preventing shrinkage and improving the ability to audit their staff's activity. Integrating loop vehicle counts and using a permit system can provide real-time counts to compare with a cashier's field activity effectively closing the audit gaps where shrinkage can occur. If the parking manager sees a facility's occupancy counts increase without seeing the cashier's transaction count increase, they know theft is a possibility.

For mobile operations (event parking with no loops), if the operator incorporates a portable vehicle counter (hose), then audit ability can be improved by comparing the number of vehicles to the number of permits issued by a permit system in the field. If a mobile vehicle counter is not feasible, manual lot counts by management during the event help too.

Obviously, there are many types of revenue control situations where the right type of software could help increase revenue, provide accurate and useful reports and decrease long lines of vehicles queuing into the venue.

To illustrate some of the challenges associated with event parking management, you will now be introduced to "Bill." Learn more about Bill's event parking operation and various situations that highlight how a revenue control system could improve his parking operation.

BACKGROUND

Bill runs an event parking operation in which his cashiers are required to take only cash transactions in the field. Unfortunately, Bill believes his cashiers are pocketing some of the revenue, but has no idea how much. In an attempt to dissuade stealing, Bill puts into place strict manual audit controls and doubles his staff per lane. Bill and his staff currently track the incoming revenues using a spreadsheet, but would prefer to

implement a system that streamlines the audit control system and provides revenue trends over time. The following are scenarios in which revenue control software would help Bill get the most out of his event parking operation.

SCENARIO #1: PRE-SOLD PERMIT, SINGLE USE

Bill began pre-selling event permits online. In an attempt to promote the pre-purchase of permits, patrons were given the option of buying event parking at the same time as their event tickets. The patron paid for the permit via credit card, which put the revenue directly into the operator's account and bypassed the "potential theft point" on the day of the event. The patron either received the permit via e-mail or printed the permit directly from the operation's Web site.

In the field, the entry lane continued to flow smoothly since all cashiers simply scanned the barcode on the permit with a handheld device. The interaction with the handheld software was minimal and cashiers rarely needed to touch the screen or fidget with any buttons. After a few events, Bill found it advantageous to dedicate a lot to "pre-paid" parkers to have at least one "cash-less" cashier.

Now, even before the event starts, Bill knows how many parkers to expect in the pre-paid lot. In addition, Bill's post-event reconciliation process has virtually disappeared for the pre-paid lot.

Bill found this scenario to work well for both event attendees and exhibitors.

SCENARIO #2: PRE-SOLD, MULTI-PERMIT USE

Bill has another type of permit for parkers who need to get in and out of the lot frequently throughout the day. When a parker with the "multi-use" permit arrives, a cashier scans the permit barcode and the parker is granted access to the facility. Since this event parking facility doesn't track exits, this scenario can throw off occupancy counts; however, designating these types of permit holders to their own area within the facility helps.

Bill's long-term goal is to put in loops so his event parking revenue software system can track the physical vehicle counts as well as the cashier's transaction activity.

SCENARIO #3: VIP RESERVATIONS

There are times when Bill gets late notification that an event VIP needs parking accommodations. Sometimes there is not enough time to get a permit into the hands of the VIP, or for purchase of a “pre-pay” pass. In these cases, Bill creates a reservation for the event associated with the VIP’s name and collects payment information from the third-party requesting the parking permit. The reservation is then sent to all handheld scanners being used by lot employees. Upon arrival, the VIP is directed to the appropriate lot and permitted to enter.

At the end of the event, Bill has the appropriate audit trail to see if the VIP’s reservation was used. If the reservation was used, the appropriate third-party is billed. The reservation module lets Bill efficiently take care of unplanned, high profile exceptions diplomatically, without sacrificing his revenue stream.

SCENARIO #4: OCCUPANCY

Bill’s insight into what is going to happen in the field before and during event day has improved since implementing new revenue control software. The day before an event, Bill can look at each of his lots to determine how many spaces have been “committed” via pre-sold permits and reservations. This “heads up” gives Bill a chance to do some pre-event traffic flow planning, allowing him to reevaluate his use of committed spaces and those left for “day of” event parkers.

No matter what happens in the field on event day, Bill knows his occupancy in all lots at all times. If a particular lot is filling up faster than expected, he is able to redirect transient parkers paying with cash or credit card to the “pre-pay” lot because he knows the lot has available spaces. Subsequently, Bill is able to solve problems remotely because of the flexibility of the revenue control software program.

Knowing and understanding the facility’s occupancy also gives Bill and his managers additional auditing tools. For example, in lots where Bill has loops, he and his managers can compare access control counts from a monitoring system, as well as cashier activity counts from the revenue control software (each time a car enters the lot, the access control count increases and each time a handheld transaction occurs, a revenue count increases). If counts are off, Bill and his management team know there is a potential audit concern in the field. The system also allows Bill to know when one car gets into the lot without a transaction taking place and can analyze such trends.

SCENARIO #5: CREDIT CARDS

In the case of credit card payments, patrons pull up and cashiers select the parking rate and swipe the credit card. Minimal interaction with the handheld software is needed for a typical transaction. Bill negotiated a “floor limit” with his credit card processor to ensure his parking rates didn’t require a signature. Although this means a higher transaction fee, it has kept lanes moving at sufficient speeds and reduced the number of cash transactions significantly.

Overall, the increased revenue from the reduction of cash transactions in the field has offset the merchant fees incurred by taking credit cards. Bill uses the same credit card processor for both online and field permit sales.

SUMMING IT ALL UP

By instituting a revenue control system in the field, event parking facility managers can:

- get more dollars per location by enabling customers to pay with cash or credit card
- maximize the parking space and know where empty spaces and overflows are located
- reduce shrinkage
- receive trend analysis reports providing supply and demand options and visibility

For more information on how T2 Systems can help you manage parking more efficiently and effectively, call 800-434-1502 or visit www.t2systems.com.