

AVIS

SOUTH AFRICA

www.avis.co.za





SMARTER CAR HIRE

Over the past 42 years Avis has established an impressive average 38 per cent share of the South African car rentals market. Maintaining that position, however, requires continuous innovation and improvement, as chief executive Wayne Duvenage explains to Gay Sutton

Avis employee



As a business or holiday destination, South Africa offers a cultural, sporting and wildlife experience that is second to none. But the pace of change over the past 20 years has been phenomenal. Market liberalisation has created strong competition, resulting in a rapidly evolving corporate landscape.

Avis is one of the best recognised car rental brands worldwide, and is synonymous with quality service. Its presence in South Africa dates back over 42 years, to an era when competition was far less aggressive. In this genteel business environment, the company established a leading share of the car rentals market at just below 40 per cent, but then, impressively, it retained that leading position throughout the era of change. Today Avis has 120 outlets across South Africa, a fleet of 21,000 vehicles and is the single biggest buyer of new cars in the country.

“The challenge we have been facing as the leader in the field is that there are many more competitors now and naturally, the leading shareholder’s slice always attracts attention from the competitors,” explains chief executive Wayne Duvenage. “So we continuously have to work harder, smarter and faster.” Avis South Africa has achieved this by focusing on three areas of improvement: taking costs out of the business wherever possible to maintain a competitive edge; improving the level of service through highly efficient business processes; and ensuring its staff are highly trained and customer focused.

- ✓ BMW EfficientDynamics
- ✓ BMW CleanProduction
- ✓ BMW Social Responsibility
- ✓ World's most sustainable car company*



Wayne Duvenage

TAKING SUSTAINABILITY TO THE NEXT LEVEL.

At BMW, we understand the positive potential of the private sector. When it comes to corporate social responsibility, BMW South Africa uses innovation to contribute to improving health and education, and to reinvest in neighbouring communities. As the most sustainable car company in the world for the last 7 years,* BMW has made huge inroads in terms of energy consumption and efficiencies through BMW EfficientDynamics and BMW CleanProduction. Not only have we reduced the fuel consumption of our cars to optimise emissions worldwide more than any other manufacturer since 1998, but we also continuously strive to minimise waste and emissions from industrial processes through source reduction strategies. Our dedication to future sustainability is evident not just in our cars, but in all that we do. It's therefore no surprise that Avis chose BMW as the preferred supplier of luxury vehicles to their rental customers.

For more information go to www.bmw.co.za

BMW. THE WORLD'S MOST SUSTAINABLE CAR COMPANY.*

BMW EfficientDynamics
Less emissions. More driving pleasure.

The investment in training across Avis SA is significant, amounting to some R4,800 per individual, per annum. "We invest at this level because it gives us the edge to provide the highest quality service, and we believe this is a major element of customer retention," says Duvenage. However, no amount of training could achieve this level of quality if the recruitment process was not effective. The Avis recruitment process is detailed, never rushed and receiving more attention in today's electronic environment.

As a standard procedure, the company uses predictive index methodology to help match the candidates to the profile required for the job. For customer facing jobs, for example, the profile would include the ability to listen and communicate clearly, to be patient and empathise with the customer. The interview process is also tailored to the specific job. For call centre jobs, for example, the initial interview is done by telephone with a panel of selectors. "We want to hear if the individual is smiling over the phone,

120

.....
Number of Avis outlets
across South Africa

and whether they have an audible energy,” Duvenage says.

The second area of focus has been to continuously improve the levels of service to the customer. Many companies periodically perform customer satisfaction surveys; but Avis measures continuously. “We’ve been on this journey since 2003,” comments Duvenage, “and today we do over 3,500 interviews per month and spend around R3 million a year on the process.”

Outsourced for independence, the surveys are performed by telephone across all interfaces with the customer. The data is then collated to produce a Customer Satisfaction Index (CSI) by division, by branch and by individual employee (where sample sizes allow), as well as company-wide. This information is analysed and used to drive performance and focused corrective action where required. More recently, the individual and departmental CSIs have been linked with the corporate incentive scheme to promote a more personal commitment to customer service. “Staff who add value to the brand are now being recognised and rewarded with higher earnings. And this is having a profound effect in driving up the CSI,” reveals Duvenage.

It’s one thing to measure an index, but

it’s quite another to translate that into genuine business improvement. But from 2006, Avis began doing just that, and has achieved some interesting successes. “We found, for example, that there wasn’t enough interaction with customers at the vehicle return end of the process, with the result that issues with vehicle quality and

damages were not being handled efficiently. So we put additional trained manpower and new structures into this area and saw a vast improvement in vehicle quality and damage cost reduction.”

The management structures were also reinforced, to enable top management to delegate work and move to a more strategic role in the business. “We also learned that our facilities could not keep pace with the growth of the business or with the flows required to turn vehicles around quickly. So in the three-year period from 2007 to 2010 we invested R250 million into revamping our facilities and making them more efficient.”

The third strand of Avis’s strategy for retaining its leadership position in South Africa is to take costs out of the business—and this is being achieved through greater efficiency and reducing waste. The backbone of the Avis business is its sophisticated Wizard Global Car Rental System, an IT platform that is deployed worldwide and is continuously being updated and improved. It links all elements of the business from order input and customer information through to fleet efficiency management and planning.

“The system also provides the operational management teams with invaluable business information,” Duvenage says. “For example, it helps us plan fleet usage



Avis Coach Charter vehicle

**“STAFF WHO ADD VALUE TO THE BRAND
ARE NOW BEING RECOGNISED AND REWARDED
WITH HIGHER EARNINGS”**

Guardrisk is proud to Avis' risk management provider.

Guardrisk designs tailor-made, cost-effective solutions that provide the type of insurance cover you need.

Our highly-skilled team has the technical expertise and know-how, supported by world-class systems and technology, to provide risk management and insurance solutions that work for you.

Find out more about Guardrisk on our website at www.guardrisk.com or call **+27 11 669-1000**.



more effectively. In a car rental business, 35 to 40 per cent of the cost is in the car fleet, so enabling us to improve our fleet utilisation gives us huge cost savings." Avis runs its fleet at around 75 per cent utilised, while the rest of the industry runs around five per cent below this number. Avis systems also increase the efficiency of the accident management process by linking directly with suppliers, and accelerating the recovery and repair of damaged vehicles.

The pace of innovation is accelerating rapidly today. "Five years ago, very little of our reservations were done online. Today 30 per cent of our business is done on the internet, and there is a fast-paced migration to online self-help processes," Duvenage says. "We've launched mobile apps on all the different platforms—Android, BlackBerry and iPhone—and we've recently introduced a presence on Facebook. It's about making the rental process quicker and faster, all within a user-friendly space."

Interestingly, one of Avis's biggest cost savings has been achieved through

GUARDRISK

Guardrisk—the world's largest specialist captive insurance group of its kind—is based in South Africa, with offices in Mauritius and Gibraltar (Euroguard). Guardrisk provides life and short-term first party, third party (selling branded insurance to cell owners' clients) and rent-a-captive facilities; it's also a specialist short-term insurance underwriting manager and product supplier.

Contact us on +27 11 669 1000 or visit our website: www.guardrisk.com



Chauffeur greeting customer

We're with Avis all the way (and back again)

As sole fuel supplier of the Avis fleet in South Africa we support our business partner by renting vehicles from them in return. Just one of the reciprocal business relationships of which we're immensely proud.




BEinspired

Your weekly digest of business news and views

www.bus-ex.com

"IN 2006 WE MADE AN EXECUTIVE DECISION TO BECOME A CARBON-NEUTRAL COMPANY AND REDUCE OUR IMPACT ON THE ENVIRONMENT"



Avis Audi



Avis Point 2 Point
customer and chauffeur

what began as an involvement in wildlife conservation and continues today as a multi-layered and effective sustainability programme. “The concept of sustainability was implanted in the company many years ago by our founder in South Africa, Glenn van Heerden, who recognised the importance of wildlife conservation work. For three decades we provided many major conservation foundations with transportation and support when they required it,” Duvenage explains. “But in 2006 we made an executive decision to become a carbon-neutral company and reduce our impact on the environment.”

It’s been a fascinating and revealing journey. Through careful examination of water usage, the company has reduced water consumption by a massive 85 million litres a year. Meanwhile, in one major process change, energy consumption has been slashed by 2000kW hours a day. “Initially, I thought this would be a tick-the-box exercise—we’d put all the necessary things in place and in 18 months, we’d be a sustainable company. But it’s a lifelong journey,” Duvenage says. As with all the other aspects of the Avis business, sustainability has become a matter for continuous improvement. “So it’s really been an exciting time for us.” **BE**

For more information about
Avis South Africa visit:
www.avis.co.za

AVIS

SOUTH AFRICA

www.avis.co.za