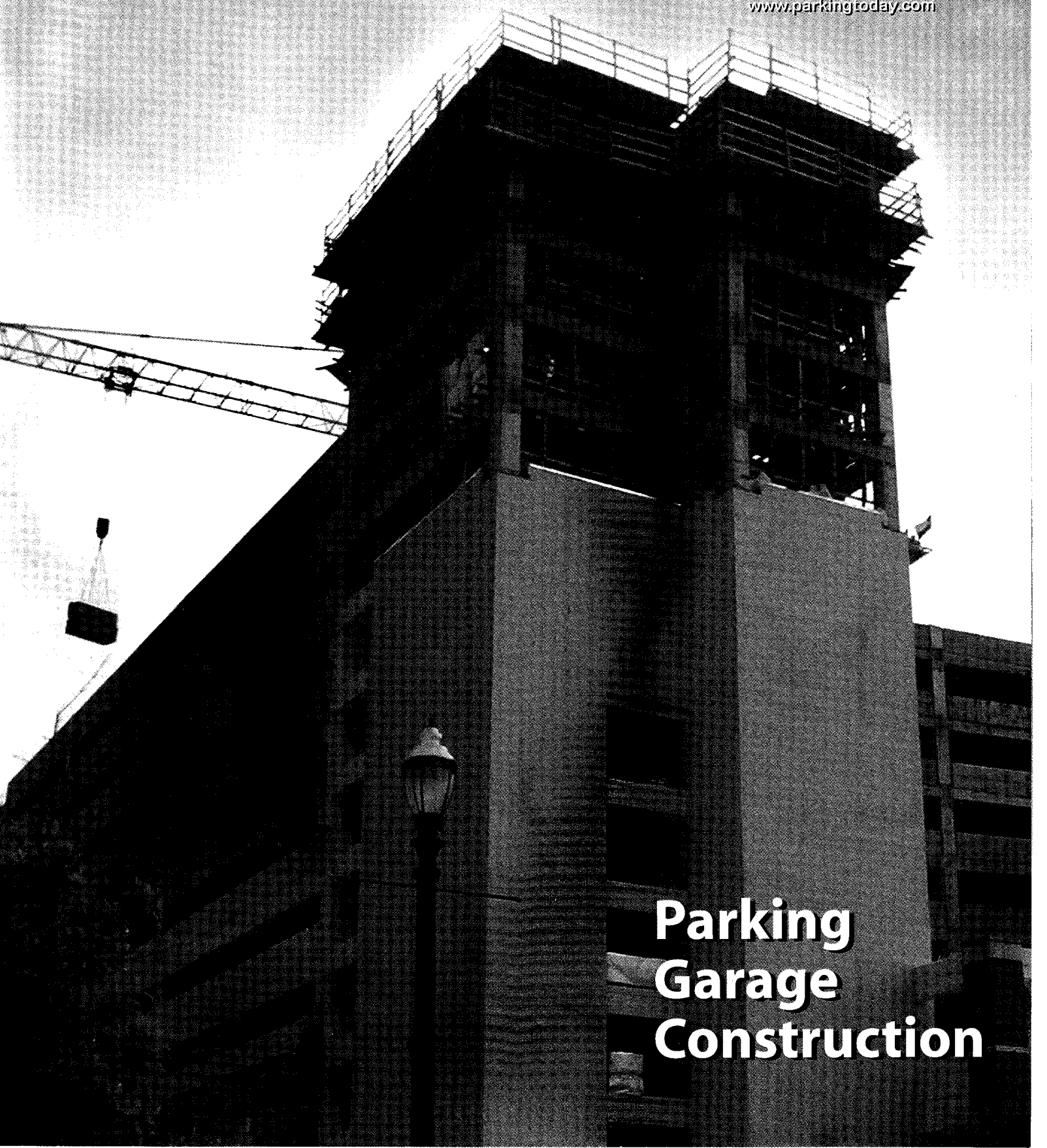


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At MSP – Inn

BY RICK DECKER, CAPP
WITH JEFF COURTEAU AND ARLIE JOHNSON

For innovation to occur, the right combination of people, business culture, customer demands and resources must be applied. At Minneapolis-St. Paul International Airport (MSP), such an innovative, entrepreneurial environment has been created and thrives.

The parking enterprise at MSP has been increasingly innovative as we anticipate and respond to our customers' increasing expectations.

Parking generated 32.5% of MSP revenues in 2006. Just like any other business enterprise, we needed to increase revenue and reduce expense; improve customer service; baffle our competition; create and market new services; develop software; improve customer and employee safety; maintain and improve facilities; anticipate future growth; and improve the integrity of our financial reporting systems to meet current legal requirements.

Like many private businesses, this creates the desired results because the principal function (parking) is directed by an entrepreneurial staff of strong communicators who function under general direction from above. Parking has become an accepted business function at MSP.

We are a critical-flow, customer-service focused component of the airport and the local transportation system. We must safely and seamlessly convert drivers into pedestrians (and back again) within our facilities. We must also provide a combination of services and information that reduce a traveler's stress level before they face security screening. We are frequently the first and last impression customers have of MSP.

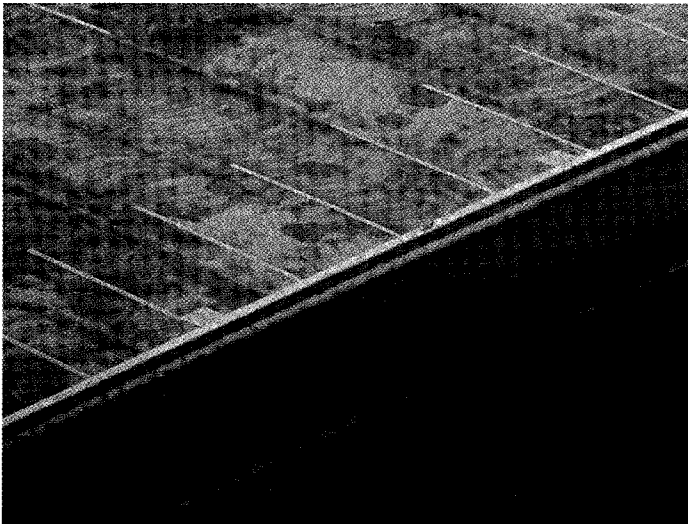
Parking has grown into a respected segment of the airport's professional core. We align our efforts with those in finance, police, airside development, information systems, fleet and airfield maintenance. We handle 2.7 million transactions and collect revenue of \$70 million annually on an \$8.1 million budget. We participate in MSP's development, facility maintenance, customer service, security, airline relations, concession relations, safety and facility planning efforts.

We acknowledge that our successes and innovations are enabled by the very stable "three-legged stool" composed of our staff, our parking management contractor (Ampco Systems Parking), and our parking revenue access and control contractor (Zeag). This foundational platform, welded by a professional business "partnership" attitude of communication and cooperation, has generated the energy and released the talent to create and improve our many services that meet the needs of our customers.

The ePark Innovation

A public, self-pay parking system – ePark – was launched in September 2003. Today, more than 79% of customers use the system. This innovation used the customer training/acceptance from gas stations and ATMs to motivate our parking customers to speed up their passage through the exit gates by using ePark. Transferring customers to this sys-

vation, Thy Name is Parking



Parking Location Innovations

MSP is developing another response to customer concerns of finding parking at its Lindbergh Terminal Parking Ramps. The "Blue Card" system is a guaranteed parking service priced between valet and general parking for our frequent business travelers. While fees are not yet determined, it is currently scheduled for operation in the fourth quarter of 2007.

The innovation will meet several customer needs:

1. Guaranteed access to a reserved parking area close to the Lindbergh or Humphrey Terminal on a 24/7 basis. Payment is an automatic, monthly charge via credit or debit card. The primary card payment is backed up by another active, authorized card if the primary fails for any reason; thus, payment and access are guaranteed.
2. A gift card for a pre-set number of parking visits to any parking area (except valet).
3. An airline valued-customer card if an airline desires to pre-pay the parking for a frequent customer. MSP would control the number of cards issued to avoid overfilling this parking area.
4. A service breakdown recovery card. If we, or another merchant, wish to offer a customer a premium airport parking experience as a "thank you" or as a method to earn back business after a mistake, a card could be sold for a single entrance and exit.

tem also required that our credit card processing and revenue control systems never failed.

All inflow and outflow gates accommodate the ePark access/payment method, and no ticket is issued at entrance to worry the customer. The credit or debit card is charged only on the customer's acceptance of the exact charge at the exit gate. The exiting process can take as few as 14 seconds with ePark, as compared with about three minutes with a cashier. If a problem occurs, a real person answers the intercom, or the customer can proceed to one of the two cashiered exits. A receipt is produced at exit upon request.

We now experience in excess of 90% of revenues via credit card. The use of checks and the delay they cause in the exit queues have nearly disappeared. However, ePark's most significant savings is in staffing costs. We reduced overall staff from 117 fulltime equivalents to 77 FTEs (a 34% reduction) during a two-year period, for an ongoing annual savings in excess of \$1.5 million.

As ePark processing costs less than cashiered transactions, we have worked to "market" customer use of it by passing along the savings to our eParkers. To do this and not reduce revenues, we raised the overall rates by \$2 and then offered a \$2 per day discount for using ePark.

As a natural extension of the success of ePark technology, eTrip is our credit card in/out system for commercial, non-permitted vehicle payments. We collect a per trip fee from taxis, limousines, hotel shuttles and buses. This system eliminated a 24/7 cashier.

Airport employee parking is now paid via an automated monthly charge to either a credit or debit card. This has eliminated sending monthly billings to individuals and receiving monthly payments. It has reduced our staffing costs and allowed us to deactivate parking privileges just a few days after payments are due.

The SurePark Innovation

At MSP, parking demand frequently exceeds supply. In 2007, we have overflowed our 12,000 spaces at the Lindbergh Terminal Parking Ramps 15 times. When we fill capacity at the Lindbergh ramps, we execute a staff-intensive "diversion" to inform and redirect incoming parkers to the Humphrey Terminal Parking Ramps once they have entered the Lindbergh in-bound roadway system.

Our revenue control system includes an accurate count system. We monitor occupancy levels from our desk in real-time so we know when to close and then reopen portions of the ramps at either terminal. We can also change parking rates at the incoming gates from our desktop PCs.

Rates are charged based on time of entry and remain with the transaction until the customer exits. To let customers know about parking availability, we are developing SurePark, a three-method link to that information:

Method 1: Customers access the MSP home page via the Internet. A bar graph displays Lindbergh or Humphrey parking occupancy information on an up-to-the-minute basis.

Method 2: SurePark is in test mode to provide this information by voice from quick-access, phone tree-type of menu.

Method 3: SurePark can be set to automatically send a text

Continued on Page 26

At MSP – Innovation, Thy Name is Parking

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message of which parking areas are open as the customer approaches MSP.

Customer Communication Innovations

Exterior variable message signs are incredibly flexible to meet our many changing airport needs. We use them at entrance and exit and on customer access roadways to promote desired parking behaviors. We promote ePark to inform potential users of its speed, cost savings and convenience. We identify lane usages (cashier, closed, ZipPass only) at exit. We inform customers of icy roads and new airline services.

We also secured an illuminated, solar-powered sign that we can position with a pickup truck. We post this sign on the route to "additional parking" when we fill one terminal's parking and must divert to another location. The 9-foot-square sign is self-contained on its own trailer. While hardly elegant, it is very visible and effective as we can position it precisely where needed.

Succession Management Innovation

A key business strategy is succession management. There is currently a national shortage of qualified general and assistant general managers within airport parking contractors. These companies usually raid from one another to fill positions when awarded a new airport contract.

In response, MSP is creating a senior airport manager training program with Ampco System Parking. We will use a variety of training resources, including those of the International Parking Institute.

This cost-splitting endeavor benefits Ampco as they can retain and grow airport parking general managers using one of the larger U.S. airports. MSP benefits as our systems are constantly reviewed by their best and brightest managers for 18 to 24 months before they advance to another airport.

Conclusions

Our philosophy at MSP is that innovation thrives when people must live with the results of their decisions. This motivates a more thorough, intentional level of personal involvement in problem identification and realistic approaches to resolving the issues. Our active pursuit to understand how our services and programs impact other airport operations encourages others to voice their concerns and solutions.

Once involved in our pursuit, their approach matches ours. Thus far, our success has allowed innovation and execution to flow from the operational level, rather than being imposed from above. We feel our continued improvements are directly related to the quality of our "partners." In this innovative atmosphere, we work together to provide and improve the airport parking that our various customers expect as part of their MSP experience.

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