

VPNE

Parking Solutions

Smarking's **Integrated Parking Management Platform** helps VPNE provide best in class client service, generate higher parking revenues, and differentiates their business



“Smarking gives our garage and regional managers the tools to run an efficient and more profitable business.”

-Nick Litton, Chief Operating Officer, VPNE

THE CLIENT

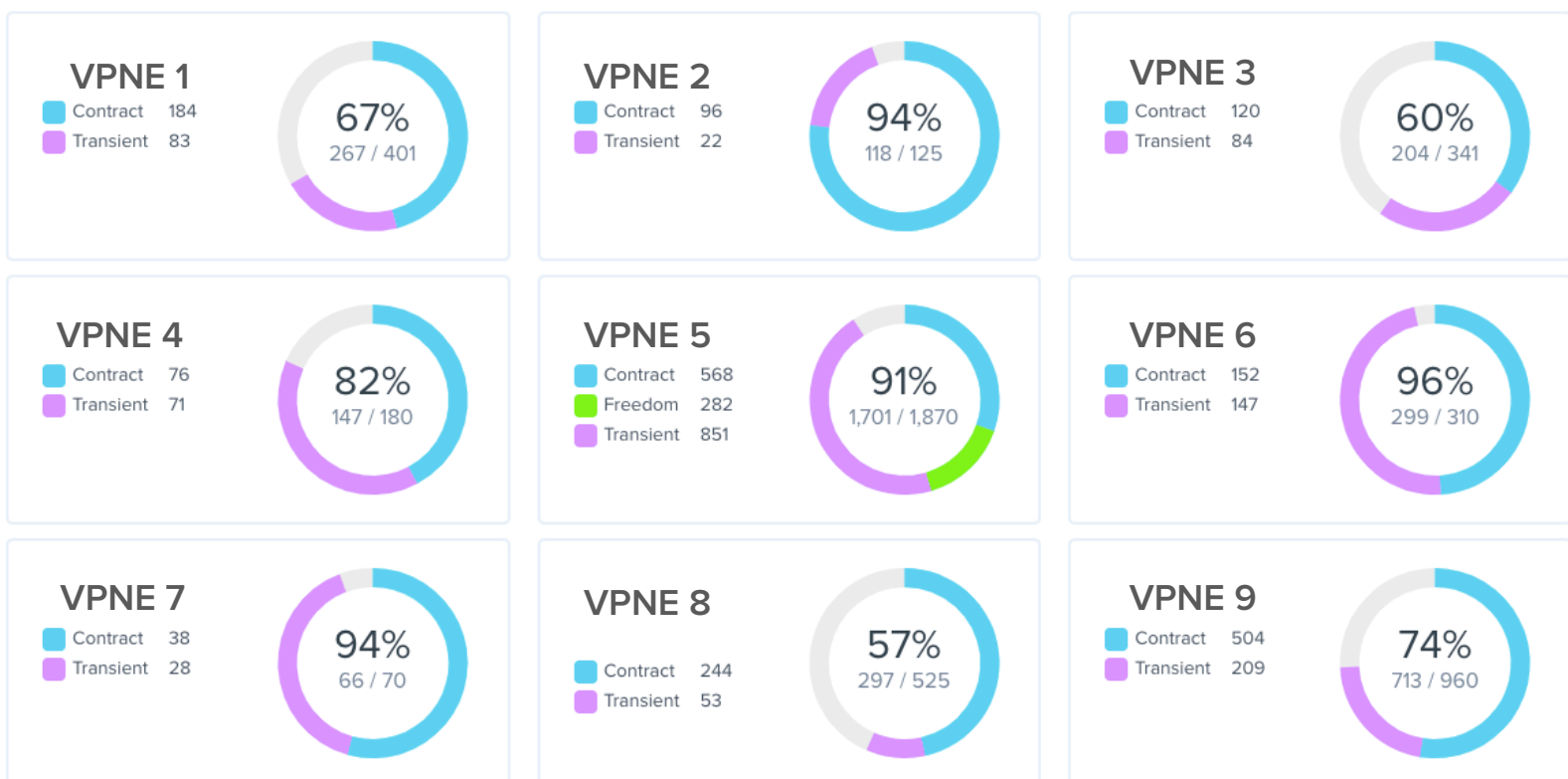
VPNE is a New England based parking operations firm that manages garage, valet and shuttle operations at over 100 of New England's premier office, hospitality and healthcare properties

VPNE is New England's premier parking operations firm, managing Boston's most sophisticated parking garages. Properties managed by the VPNE team include the Prudential Center Garage, Back Bay Garage, 100 Clarendon Street Garage, and the 47 Boylston St Garage.

Founded as Valet Parking New England in the 1990's, VPNE prides itself on empowering its employees to deliver the highest level of service to its diverse client base. This includes hiring smart and energetic individuals, providing ample career training, and opportunities for personal growth. In February of 2015 VPNE took it one step further by initiating a partnership with Smarking – to provide VPNE staff with cutting edge business intelligence and yield management technology. For VPNE, the Smarking Platform is a tool to amplify the impact and intellect of VPNE staff - from garage managers, to regional managers, to C-level executives.

Real Time Parking Occupancy Across VPNE's Portfolio

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THE PROBLEM

With over 100 locations under management, each with its own unique suite of data – how can VPNE efficiently manage and track the performance of each of its locations?

A Complex Business with Many Moving Pieces

It's easy to assume that parking cars is a plain and straightforward business. **But parking is a \$30 billion dollar industry where business intelligence, yield management and improved efficiency can make a meaningful difference to a garage owner's bottom line.**

What is the best mix of monthly parkers and transient parkers? How should I price these parkers? Can spaces be allocated to car sharing services? Add in multiple locations across different metropolitan regions and the need for business intelligence, yield management and operational excellence become critical.

Data Generation and Information Systems

It all starts with the flow of information – or data. VPNE manages over 100 locations up and down the East Coast. Each location has a unique parking revenue control system, mix of monthly and transient parkers, online reservation platforms etc. **The foundation of any business intelligence and yield management program is a single information system where all unique data sets are consolidated, tracked and measured.**

In its work with Smarking, VPNE is aggregating all transaction level data across various parking access revenue control systems (PARCS) into a single platform. Smarking's robust integration suite – capable of integrating with over 40 different parking technology providers – gives VPNE the flexibility they need to serve their clients while providing the single source of record necessary to build any business intelligence or yield management program.



THE SOLUTION

Smarking's Parking Data Management System and Yield Management Analytics help VPNE **manage** all their locations through one platform, **optimize** price points across channels, and **track and measure** the impact of business decisions with data

Goals:

Streamline parking management

Optimize pricing and inventory allocation across VPNE's portfolio

Increase revenues and **reduce** costs for VPNE's clients

Implementing the Solution

Nick Litton, Chief Operating Officer at VPNE first met Smarking's CEO Wen Sang in February of 2015. At the time, Smarking had just landed its first major client – Boston Logan International Airport and was looking to expand into urban garages.

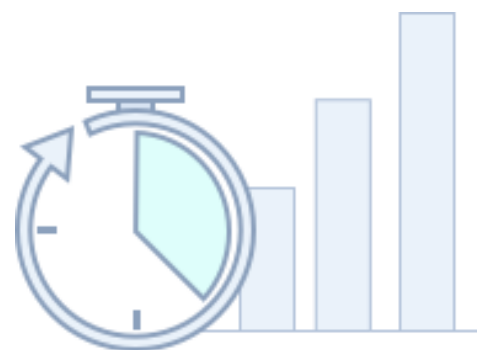
Nick immediately recognized the value of the Smarking solution – **airline and hotels had successfully implemented business intelligence and yield management programs** – the parking market exhibits the same critical dynamics:

1. Fixed, perishable inventory
2. Constantly varied demand

VPNE brought the Smarking team onboard and implemented the solution at a handful of locations. Over the next two years Nick and his team elected to expand the program to over 40 garages in the Boston region, with plans to onboard the whole portfolio.

Along the way, **the VPNE executive team provided the sponsorship, mentoring, and training necessary for successful implementation.** Partnering with Smarking meant that jobs would change – no more manual excel reporting, forwarding emails up the chain of command, manually consolidating numbers along the way.

Management styles would need to change too. Business intelligence and yield management programs take much of the guesswork out of day to day operations – **it was important to train VPNE staff to understand where data should lead decision making**, and how garage managers' intuitive knowledge of local dynamics should help inform those decisions.



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Leveraging Smarking to Improve Performance

Knowledge is power, and that's especially true in dynamic industries like parking. **The first thing Smarking was able to do for VPNE is highlight historical and real time trends across their portfolio.** Smarking helped the VPNE team answer questions like:

1. How does my mix of monthly and transient parkers differ by location?
2. How has the mix and demand associated with monthly and transient parkers changed over time?
3. Should my overselling ratio vary by location? By season? By day of the week?
4. What were the impacts of historical price changes?
5. What can we learn from past price changes that might help inform the impact of future price changes?
6. When and how should online reservation platforms be leveraged? How much inventory should be allocated, when, and at what price point?

Each of these questions concern, in one way or the other - **pricing and inventory allocation decisions** – the fundamental tenants of the yield management revolution that played out in the airline and hotel industries.

Having gained a deeper understanding of historical trends and their ongoing impact at each garage – VPNE managers were better equipped to answer detailed questions from clients. One such question concerned **the impact of ride hailing companies like Uber and Lyft.** Smarking quickly visualized those trends on dynamic charts and graphs. What would have taken the VPNE team weeks or even months of manual report building, Smarking was able to create in a matter of minutes.



ACTIVE MANAGEMENT

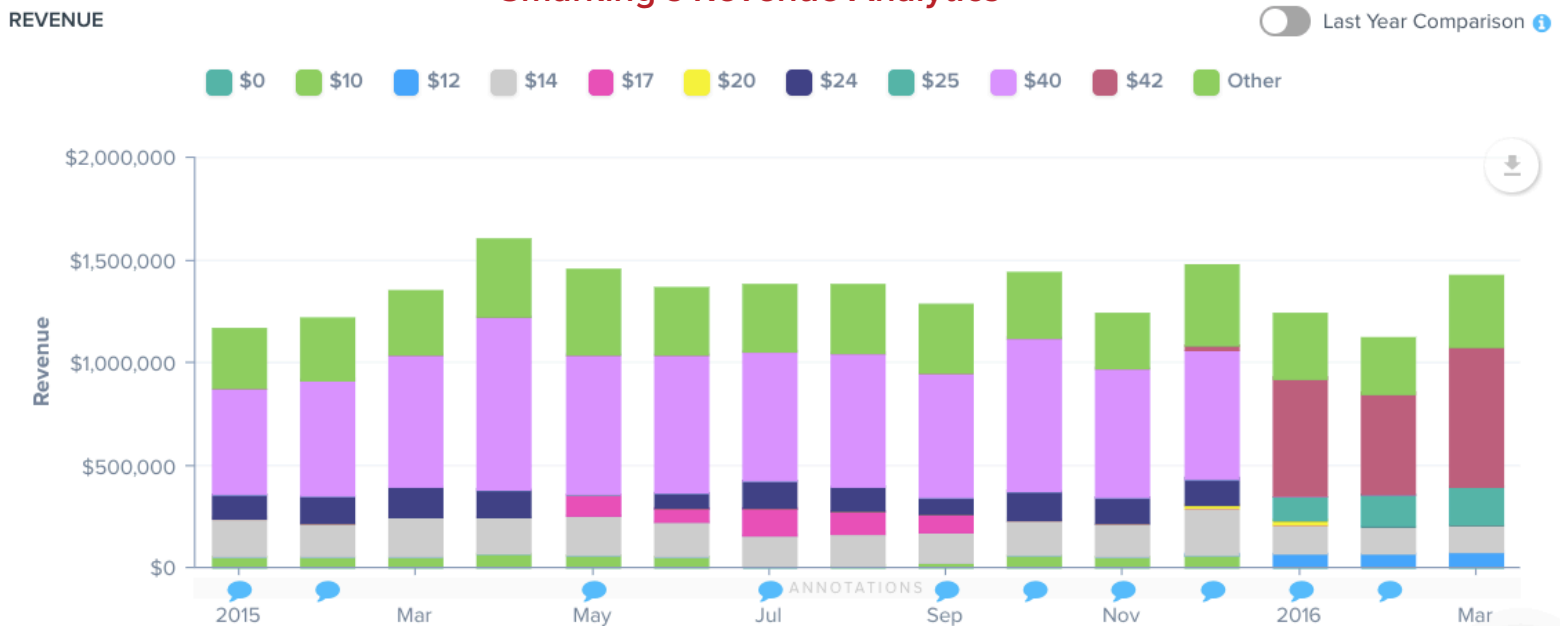
*Real time data empowers
VPNE managers to be more
active and engaged in
managing their clients facilities
– leading to increases in the
frequency of rate changes and
higher parking revenues*

Using the Solution: Price Changes and Demand Elasticity

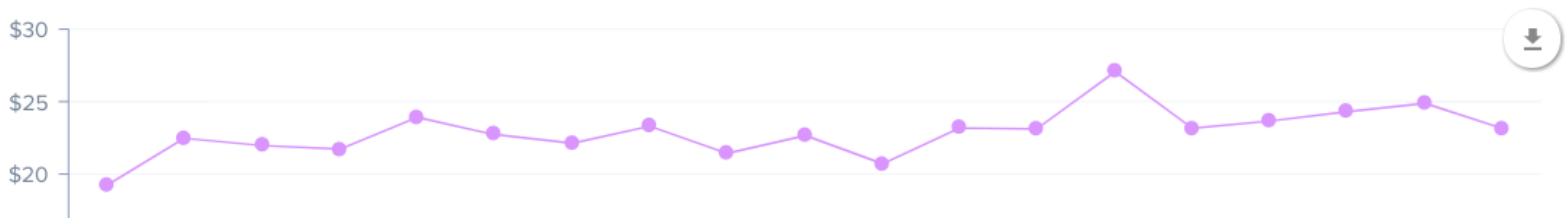
Prior to working with Smarking, VPNE would make annual or quarterly rate changes. As much data as was available would be compiled, meetings set, and changes agreed upon. The process was inefficient, and often times no follow up or analysis was performed until monthly or quarterly revenues appeared on client statements.

With Smarking – **VPNE now feels empowered to more actively manage their garages, and has increased the frequency of rate changes** in response to evolving market dynamics. As such, VPNE clients are experiencing their highest transient revenue numbers in years, and significantly outperforming the broader Boston market.

Smarking's Revenue Analytics



In the above example, VPNE can clearly see the impact of raising the \$40 rate (shown in purple) to \$42 (shown in dark red). **What was the impact of this rate change?** Revenue from the \$40 rate band in January of 2015 was \$514,480, but in January of 2016, revenue from the \$42 rate band was \$582,036; an increase of \$67,556 or 13%. This data shows the inelasticity of parking demand: there was a 5% increase in price, an 8% increase in transactions, and a **13% increase in revenues**.



Due to the rate changes, VPNE saw revenue per transient ticket **increase by 25%**.

TRANSPARENCY IS HEALTHY

Unlike other parking management firms, VPNE prides itself on being fully transparent with its ownership clients. Smarking provides a unique interface for garage owners to monitor their garages and understand the dynamics impacting performance

Differentiating VPNE's Business

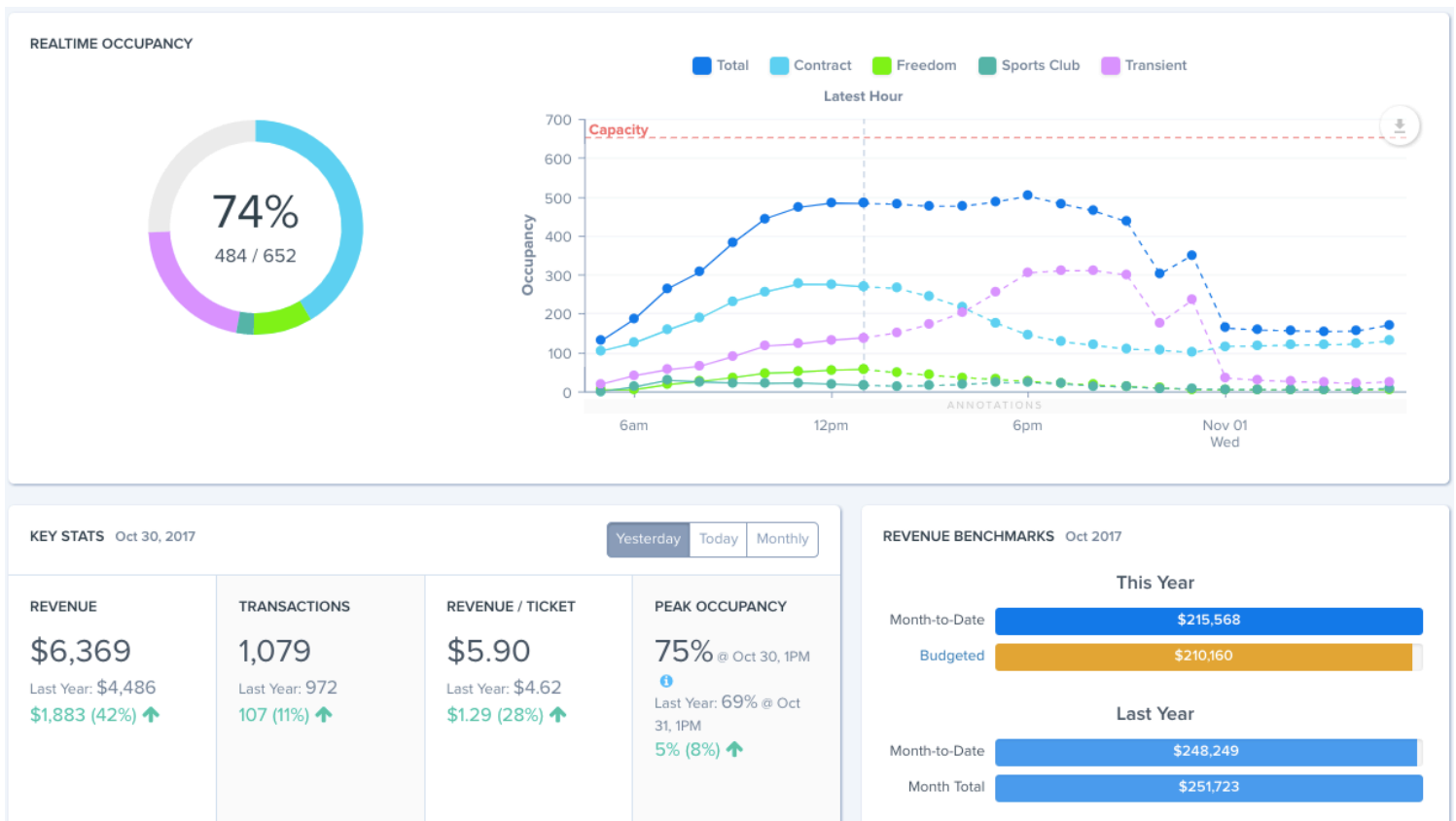
VPNE's unique approach to parking management is providing an exceptional level of transparency between garage management and ownership.

Smarking is able to enhance this level of transparency by providing a real time window into garage performance – helping ownership monitor their facilities for tenant related concerns and better understand the dynamics in the market.

VPNE looks to maintain long term strategic partnerships with its clients. The level of transparency provided by the Smarking tool is testament to this philosophy and has enabled VPNE to expand its business by winning new clients.

Furthermore, increases in revenue at other locations are documented clearly and in transaction-level detail in the Smarking platform, providing the VPNE team with the ultimate tool to communicate their operational edge.

Smarking's Single Location Overview Page



ABOUT **SMARKING INC.**



Smarking is the parking industry's leading provider of business intelligence, yield management and inventory digitization technology. Founded at MIT in 2014, Smarking helps owners and managers of parking assets maximize revenues, reduce costs, and improve decision making by applying many tried and true practices in the airline and hotel industries to parking.

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