# CRAIN'S

**NEW YORK BUSINESS**°

VOL. XXIII. NO. 44 WWW.CRAINSNEWYORK.COM

OCTOBER 29-NOVEMBER 4, 2007

# The ride: beyond the luxury limo

Trends are hybrid and officefunctional as companies make transport statement

### BY GWEN MORAN

THE CARS that people drive can say a lot about them. Corporations are now concerned about what the vehicles they use say about them.

Illustrating that concern, two divergent trends have emerged for transportation at offsite events: spacious coaches designed as an extension of the office, and sustainable vehicles.

Besides offering all the standard luxuries, "executive coaches" feature desks, faxes, video monitors and practically anything else required to perform a day's work. These coaches convey the idea that a company means business and stresses productivity.

Green vehicles, on the other hand, demonstrate a focus on cost-cutting and environmental consciousness.

"You're making a statement with the type of transportation you choose," says Catherine Chaulet, senior vice president of events at BostonCoach, which has an office in New York City.

Just a few years ago, a fleet of standard black cars would have been fine for most companies. But today, a corporation's image is reflected in every detail, including the ground transportation chosen for meetings, and providers must often scramble to fulfill demand for both trends.

Patricia A. Nelson, executive director of the National Limousine Association in Marlton, N.J., says that these moves aren't unique to New York but are occurring nationwide.

"We're seeing more and more companies asking for things other than stretch limousines," Ms. Nelson says. "They want even larger vehicles that hold many passengers—minibuses or small motor coaches. And we're seeing companies all over that want to go green."

Because no major automaker has announced plans for a hybrid executive coach, a vehicle that combines the two requirements is not on the horizon.

Green vehicles are an obvious way to cut expenses. For example, hourly rates at OZO-car—a New York company with an entire fleet of green vehicles—start at \$50. In comparison, executive coaches generally start at \$250 to \$300 an hour, not including fuel surcharges.

But even with the higher costs, the opportunity to have a mobile office resonates with business travelers in the New York area, which is plagued with traffic.

That was the issue for a corporate client of Empire Force Events Inc. that needed to transport meeting participants between Connecticut and Manhattan—the trip takes almost an hour and a half on a relatively traffic-free day—and wanted to make use of every minute.

"We suggested that they hire an executive coach set up like a living room, so that they could have a meeting while they were [on the move]," says Jaclyn Bernstein, president of Empire Force.

Companies' desire for efficiency while on the road showed up in a recent National Business Travel Association survey, which found that 34% of respondents want Internet access in their vehicles.

# **Surging demand**

MEANWHILE, the market for green sedans and sports utility vehicles has surged over the past few years. In response, transportation companies are trying to increase their access to inventories of the cars.

Ms. Chaulet says that since BostonCoach began offering hybrid vehicles earlier this year, half of its customers make the greener choice.

The eco-friendly inclination was evident at the National Business Travel Association Convention & Exposition this past summer.

"I never saw so many hybrid [livery cars]," says Bill Connors, the trade group's executive director. "It seemed like every company there had a hybrid they were showing off."



**DRIVE TIME:** An executive coach (above) and a Prius (not shown) serve different ends of the transport spectrum.

The products displayed on the trade show floor are not yet available on the market, though individual providers have been revamping hybrids to make them more comfortable and high-end.

Ford Motor Co. is slated to introduce a modified version of its Mercury Mariner SUV and market it to transportation companies for groups. Among its features will be an outlet for a computer.

The demand for green transportation isn't limited to a type of conveyance.

Some companies help achieve their sustainability and cost-cutting goals by operating airport and conference shuttles less frequently.

# **Waiting game**

GENERALLY, "attendees will have more patience if they know that [waiting for a bus] is part of a green initiative," Ms. Chaulet says.

Companies and meeting planners have their own wait—for a hybrid superstretch limo. No manufacturer has anything on the drawing board that would equal the capacity of an extended Hummer, which can hold more than 20 passengers.

Carmakers are working to resolve the problems involved in powering such large vehicles with green technology.

In the meantime, one thing that everyone agrees on is that productivity-enhanced and green transportation are trends that are here to stay.

 $\textbf{COMMENTS?} \ cnyb@crain.com$