

THE MYTH OF THE NATIONAL CART COMPANY

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A CANDID DEFINITION OF A NATIONAL CART COMPANY

Many of Jimco's competitors like to refer to themselves as "national companies". One has even started calling itself the nation's largest cart company. To speak in these terms, however, is somewhat misleading.

This article will demonstrate that:

1. A claim to national service coverage is not necessarily indicative of a company's ability to handle new clients; and

2. The most important factor to consider when deciding whether a cart service provider can handle additional geographic regions has more to do with their profitability and their ability to train and deploy new crews.

First of all, Jimco Maintenance is uniquely positioned to create and operate new crews in any geographic region of the country as long as a minimum service threshold is achieved.

But to call oneself a national company is, by today's standards, to imply that service crews are geographically housed in every major population center of the country.

This would effectively mean that no matter where on the map one pointed (with a few out-of-the-way exceptions), the company in question would have a service crew approximately 1-2 hours away on any given day.

Truth be told, there are, in general, relatively few maintenance companies that fit this description. Crown Equipment Corporation and other Fortune 500 companies do fall into this category. Cart service providers, on the other hand, do not. This includes Jimco.

Therefore, if a cart maintenance company is to claim national status, they must do so according to some other definition. Given current market conditions, one might at first assume that it would be either:

- A. They have a business model built on hiring independent contractors, who drive over extremely large regions of the country and stop in scattered locations along the way, where they provide services to stores according to an informal agreement that often involves only individual store managers. (Jimco used to operate this way about 35 years ago before the era of the modern mega-store).

or

B. They periodically send crews to far-flung places beyond their normal operating territories where crew concentrations are directly tied to client locations. Jimco does this to accommodate the needs of major clients who may have locations in new expansion areas.

Based on these two examples, it's clear that cart service providers face unique factors that influence the way their service crews are dispersed.

Although there are many smaller local providers, there are only half a dozen or so larger cart service companies in the U.S. (each with their own stronghold in one or more geographic regions).

While some of us have been able to expand considerably beyond these regions, none of us can claim to be national as defined in the Crown definition above. (Jimco Maintenance is intended to be the first cart service provider to do this.)

But even if Jimco or one of its competitors did have clients evenly spread across the country, this would not appreciably change their ability to accommodate new clients--at least not from the standpoint of available manpower.

The fact of the matter is, for efficient service providers, like Jimco, it doesn't matter whether they have 0 or 100 existing crews in areas where a prospective client's locations are. The only case in which it would be when a new client only has a limited number of locations. To take on a new client with substantial infrastructure any cart service provider operating today would need to expand their labor base.

The question, then, is not whether the service provider is a national company. This is a moot point. To determine whether they can meet your needs, it makes more sense to study the following critical areas:

1. Is the provider sufficiently capitalized to make the necessary investments that expansion requires?
2. Do they have the necessary training and quality assurance programs in place to rapidly train new crews and deploy them?
3. Are their supply programs structured to deliver consistent replacement parts across the entire chain at the same prices?

It is the ability to meet these requirements that really determines whether a service provider deserves to call itself a national company. As sales and marketing director for Jimco, it's my job to convince you that we are the most able cart maintenance provider operating in the United States today.

This web site is a first step toward doing this. On behalf of all of us at Jimco, I welcome the opportunity to take the second step with you. Please direct any inquiries to Jesse Roche at 800-392-8678, ext. 106.