

Compensation: limousine business operators

[Business](#)



Market

Evaluation

Limousines are an elegant and comfortable means of transport, and are far more preferred than plain rent-a-car arrangements. The car rental business, however, has diversified from the classic black stretch limo to a more diversified and modern vehicle fleet ranging from sedans, limo buses, and even stretch SUV's with huge seating capacities. According to latest data, some 400 million Americans make limousine reservations from car rental firms each year for a variety of reasons: among them airport pick ups and transfers, entertaining business and corporate clients, as well momentous occasions such as weddings, proms and other social gatherings. The huge traffic and short wait for a return on investment has caused more than a few hundred new limousine businesses to emerge every year.

Although competition in the limo market is currently stiff, there will always be room for limousine business operators whose aim is to provide top-notch service that give clients value for their money. The average salary for a limousine driver in Austin, Texas, for 2012 was \$23, 550 or \$11. 33 per hour. The 50th percentile of pay for a limousine driver in Austin, Texas, was \$22, 140 or \$10. 64 per hour. The average limousine company allocates 25% of its budget for salary and benefits.

The recent economic recovery and increased consumer demand for limousine service resulted in 61% of limousine services increasing revenue in 2012. Business and professional clients comprise 61% of the customer base for limousine services and should be the target customer base for the company.

Compensation

Structure

Mr. Stonefield compensation structure should reflect the company business plan and goals by placing a priority on customer service, repeat business, new client referrals, and safety. What the company can afford to pay and implementing programs to reward performance that align employee compensation with the success of the company should be the basis of the compensation structure. The compensation structure should keep fixed labor costs low and place emphasis on benefits, incentives, and merit based-pay.