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L.A. West: READY TO TACKLE ANY CHALLENGE

BY ROB SMENTEK

Since 2020, second-stage vehicle builders have faced a seemingly endless barrage of challenges that have prevented them from getting vehicles on the road. Chip and chassis shortages ... keeping and onboarding staff ... not to mention staying healthy during the pandemic. But North Carolina-based builder L.A. West Luxury Coaches has handled these difficulties deftly and with creativity, ultimately coming out on top.

However, there were times when President and CEO Vern Kauffman was uncertain about the future.

"We went to the CD/NLA Vegas Show in March 2020, which was an upbeat experience, and we came away with a high level of enthusiasm. All market conditions indicated that it was an upward trajectory for the 2020 calendar year. But shortly after we came back from that show, in days it seemed the world went sideways. Literally, we went from an optimistic outlook for 2020, to a complete 180, and not knowing what the world was going to look like. Would we as a manufacturer survive?"

Apart from the wave of cancelled orders that occurred in the wake of COVID, what made things more complicated for L.A. West was an unprecedented, on-ground inventory level of Ford Transit and Mercedes-Benz Sprinter chassis.

"In terms of the industry landscape, when COVID hit we had stocked up heavily on chassis and we were heavier in inventory than we had ever been in the history of the company. Almost uncomfortably heavy," says Kauffman.

"When the COVID work stoppage took effect, we took a different approach from what some of the other manufacturers in our segment did: we kept every chassis that Mercedes and Ford had delivered to us. Maybe it was a speculative decision at best, but we did not renege on a single chassis or send any back to the dealer or manufacturer."

For L.A. West, it was very costly to pay interest on those idle chassis during what they refer to as "the dark days." Vehicles weren't moving and there were minimal sales, which was a frustrating and discouraging aspect for a builder.

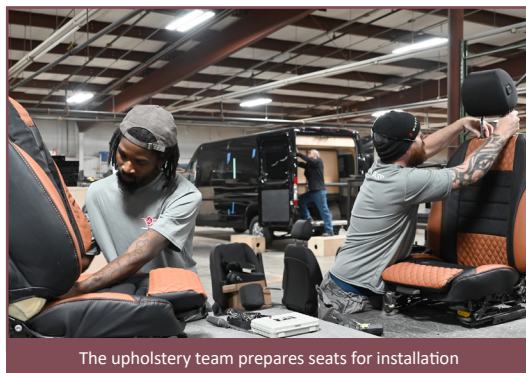
"We, as human beings, think that when things are good, we think things will never be bad; when things are bad, we think things will never get better. That's just human nature—but the optimistic side of us kept hoping that things would turn."

Fortunately, when things began to turn around for L.A. West, they turned around very quickly.

"During the darkest days of COVID, the assisted living industry still had a need for vehicles. They kept us going for several months, along with some routine business," he says. "Our first sign of



The L.A. West leadership team: (L to R) President and CEO Vern Kauffman, Vice President, Sales Kevin Kropf, and Director of Operations Michelle Keck



The upholstery team prepares seats for installation



All interior components are fabricated in house

hope was April 2021. One customer, who has multiple L.A. West vehicles in their fleet and is a Disney property in Florida, put their orders on pause right after the show. As it turned out—it was a year to the day—they reached back out and reinitiated the order on those vehicles. That was a positive sign."

The light continued to shine on L.A. West in June 2021, when the company had its best sales month ever. In July, they beat June's record, then quickly smashing that record in single day in August. Kauffman says that they couldn't have written a better script for the influx of business that was seen in that 90-day period. And, to date, business hasn't slowed down.



Each vehicle goes through a rigorous QC process, including test drives

"We can't build them fast enough," says L.A. West Director of Operations Michelle Keck, who's been with the company for the past four years.

Certainly, having an on-hand supply of chassis was advantageous for the builder, but Keck believes that the company's success was more about problem-solving in the face of supply chain shortages that plagued the builders beyond just chassis.

"It's being creative. Our focus is always to deliver our vehicles on time. If we give someone a delivery date, we're going to make that date. So, it's finding alternate suppliers ... doing what you can to deliver that vehicle to the dealer. I couldn't get simple things like a USB port. It was random, and each week was something different," she says.

"It's bobbing and weaving on a daily basis," adds Kauffman. "It might be a simple commodity like the

native means to tackle this issue. For instance, during the peak of COVID, and thanks to PPP loans, Kauffman kept his entire team on staff for a 32-hour workweek, while paying them for a full 40.

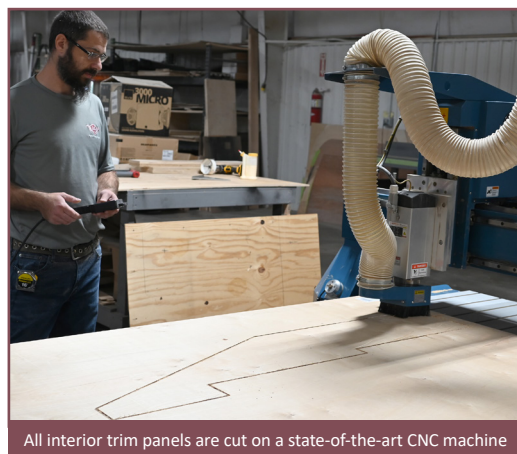
"Maybe they weren't working on production; maybe they were painting ceiling tiles or weeding in the parking lot. That was our strategy to hang on to our team and provide a situation that doesn't create financial hardship for our employees."

With production now at an all-time high for the company, it goes without saying that it's integral that L.A. West keeps its staff members. As a token of appreciation, the company has implemented a contingency bonus program. Basically, it's a bonus for the production staff who, Kauffman says, are the folks who make it happen on the shop floor.

L.A. West has also increased their base pay to not only be competitive in today's market, but be above average to attract above-average performers in terms of skill set and career objectives. The builder has also recently implemented a 401(k) Plan to help offer a comprehensive benefits package, along with health insurance and paid holidays/vacations.

Of course, L.A. West's resourcefulness isn't limited to its back-office practices. The company's shuttle buses are recognized throughout the luxury ground transportation industry for their versatility and fit-and-finish.

"Our workhorse is our Mercedes-Benz Sprinter with European portal door and stadium seating for 14 plus driver. That represents 75 percent of our production. It's become popular in the industry. Our end-users appreciate how the product presents itself, how it represents their individual brand," says Kauffman.



All interior trim panels are cut on a state-of-the-art CNC machine

That being said, L.A. West is proud to be introducing a brand-new shuttle bus platform at the 2022 CD/NLA Show this month in National Harbor, Md.: the RAM ProMaster. While they are saving the big reveal for Sunday, November 13, at the opening night party on the show floor, Kauffman did give some details on the new build.

Kauffman calls the development of the RAM ProMaster shuttle a collaboration between the engineering, sales, and production teams.

"It's been a challenging but fun project. It's a collaborative effort between what sales wants to see, what engineering thinks is the best path to get there, and what is repeatable on a production line. One of the challenges is taking a new platform and not sacrificing the DNA of the L.A. West brand. We're known for stadium seating, portal doors, nice fit-and-finish, ducted aircraft style air conditioning—so the biggest challenge was incorporating it into the new platform. That's where the creativity comes in, by making these modifications and adaptations," he says.

"Ultimately, the vehicle has to be built around the need and wants of the driver/end-user," adds Keck. "The end-product needs to be desirable; it needs to be economically feasible. It needs to serve its intended purpose."

While Kauffman says one of the influencers building on a RAM ProMaster shuttle was its availability in the market segment—the company's last pre-COVID chassis left the factory in May—he believes it will be a mainstream and desirable vehicle for their customers and is excited about introducing it at the CD/NLA Show.

"The RAM ProMaster is at a lower price point than the Sprinter, but with a very similar DNA," he says. "It's still a very luxurious vehicle. This will be an introduction to the operators. It's something they've never seen before; it's something unexpected. We're creating a new segment, and we're enthusiastic about getting that instant feedback from our end-users who are on the show floor and seeing the vehicle for the first time. It's instant market intel for us as to how well the vehicle is being received and, based on the price point, how well it's used."

"Whether it's a Sprinter, a Transit, or a RAM ProMaster, they're all designed with the best-in-class luxury that L.A. West is known for," says Keck. "The objective is to make a vehicle as luxurious and practical for operators so that it enhances their brand. They expect the vehicle to support that brand image."

Further, being at the CD/NLA Show gives Kauffman the opportunity to connect with L.A. West buyers and dealers, some of whom he's hasn't seen in three years. He says that the show affords him with a chance to thank partners for their loyalty.

"We have many repeat buyers who start with one or two in their fleet, and then a few years later are running 10 vehicles. We also know several operators who only run L.A. West Sprinters in their fleet. So, we appreciate that brand loyalty and understand that it's something that needs to be earned," he says. **[CD]**



Hot off the line: A new Mercedes-Benz Sprinter Shuttle

stainless-steel wheel simulator. Literally, Michelle would scour the country from coast to coast looking for a warehouse that might have three sets or 10 sets, or even 20 sets, and buy everything that was in stock. It's still a bit of a challenge, but a year ago it was a daily issue. It was a daily case of Whack-A-Mole."

Another challenge facing the industry—both builders and operators—is retaining and hiring team members. Once again, the company is utilizing imagi-

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