

SUCCESSFUL MANAGEMENT OF A VALET OPERATION

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Richard Raskin joined Walker Parking Consultants in April 2000. He had previously worked for the Beverly Hilton Hotel in the capacity of Director of Guest Services for four years. Among his duties was the operation of the valet parking department and a 500-space self-park garage. The valet operation was responsible for hotel guest parking, as well as valet parking for over 200 major events a year. These events included The Golden Globe Awards, and the Carousel of Hope – the largest charity ball in the world. The valet department at the Beverly Hilton was consistently judged to be one of the most courteous and efficient operations in the nation. The parking department earned in excess of \$2,400,000 in annual gross revenue. Richard had worked for Standard Parking as a Senior Manager from 1991 through 1997. He ran several high-profile office building parking facilities, before assuming the task of managing the valet operation, which numbered over 120 employees, at the Century Plaza Hotel in Los Angeles.

Richard's parking experience include the selection and installation of parking access and revenue control systems; auditing and maintaining cash controls; financial planning; personnel selection and training; facility maintenance; self-park, attendant-assist and valet operating environments; office, retail, hospitality and event demands; due diligence studies; operational reviews; marketing; and traffic flow planning.

Introduction

Perhaps arguably, the three greatest innovations of modern civilization are air conditioning, the computer chip, and valet parking. Historians and academics may debate the merits of the former two and offer dissenting views. But anyone who has ever driven up to a restaurant on a bitter cold evening and discovered that a well-mannered and uniformed professional will rush to their vehicle, open their door, and cheerily wish them a good evening, will go to their last days believing that the latter is truly the pinnacle of the modern world.



Parking can be broken down into basic practices. The most prevalent method is self-parking, where patrons park their own vehicles and the parking operator's responsibility is usually limited to collecting revenue and ensuring adequate lighting and service levels. Another approach, and the focus of this chapter, is valet parking.

Valet parking differs from self-parking in that the parking operator has the ultimate duty and responsibility to park and secure the patrons' vehicles. With this responsibility a variety of additional needs and tasks are required of the operator. Service and performance are judged quite differently than in self-parking, and both the operator and the parking patron have heightened expectations. There are far more risks and exposure to expense in managing a valet operation. We will explore these in the sections ahead.

When To Implement a Valet Operation

Valet operations are best employed in settings when an enhanced level of service is desired, or in parking operations in which an operator or facility owner needs to optimize use of limited or undesirable parking.

To best identify situations in which to establish a valet operation, we must first define what is meant by valet parking. True valet parking is defined by the parking patrons' use of a single drop-off and pick-up point for their vehicles. This site is referred to as the porte cochere, a French term describing a porch large enough for a carriage to pass through. However, in valet parking it refers both to the spot where patrons claim their vehicles, often a podium, and to the vehicle staging area in the vicinity. A porte cochere can have several lanes for both traffic and parking.

Portes cocheres are typically placed at the spot where it is most convenient for patrons both to leave their vehicle and gain access to their destination, and then, when their business has concluded, to return to claim their vehicle. In the case of a hotel or restaurant, portes cocheres are more often than not located adjacent to the front door. At hospitals, they are normally situated by the main entrance. Office buildings will sometimes offer their valet service at the foot of the visitor entrance ramp, closest to the elevators.

Valet parking is often confused with an "attendant assist" operation. Attendant assist parking is utilized in facilities where the space configuration consists of tandem parking spaces. There is no single drop off point; instead, parkers will self-park and allow the attendants access to their vehicles' keys. This enables the attendants to have the ability to move vehicles as needed to allow patrons, whose vehicles are blocked by others, to exit. This operation works best in office buildings with several floors of tandem spaces. Attendants are stationed throughout the facility, without regard to a single drop-off area. Attendant assist is recommended when there is a substantial portion of tandem spaces, as well as when there are opportunities to increase capacity by utilizing the aisles for additional parking.

The chief advantage to offering valet services is to give parking patrons an alternative to finding their own space and walking the distance from and back to that space.

Valet services are thus useful in the following situations:

- Hospitals and medical centers, in which patrons are often unable or unwilling to walk any distance.
- Hotels and resorts, so that guests can take their luggage directly into the lobby.
- Restaurants, allowing clientele to enjoy dining without the travails of searching for what may be inconvenient parking.
- Special events, such as weddings or banquets, in which attendees are usually in formal dress and a long walk from parking is tiresome and sets a poor standard.
- Where a parking facility is too dangerous for visitors to use. Land costs in downtown urban areas such as San Francisco, New York, Boston, and others do not allow for spacious, well-designed parking facilities, and so parking is often in older, inhospitable structures originally designed for other uses than parking.
- Both on and off-airport parking operations, saving frequent business travelers the time involved in hunting for available parking and then finding their way to the terminal. Upon returning, travelers can call from the arrival gate and have their vehicle waiting for them before they get out of the terminal.
- Establishments with parking that is exposed to extreme heat, rain, or snow, and that wish to avoid making their customers walk in these conditions.

Providing valet service has its disadvantages, as well. The operator has the burden of increased expenses, primarily in labor and insurance. Other factors are a higher proportion of damage claims, bona fide or not; customer dissatisfaction with wait times, pricing, or care afforded their vehicles; and the need for the operator to thoroughly manage the operation with much more detail than self parking would entail. In office building environments, valet parking is less successful when an option. This is due to the primary clientele being visitors who usually prefer self-parking because they are in the business mode, prefer not having to leave their keys and don't especially want to tip (as it is often not an expense account item).

Calculating Level of Service

Valet parking has its own levels of service that do not approximate those in the rest of the parking industry. Gone are queue times, turning bay radii, and the like. Instead, the only service level that makes a difference is the time that the patron has to wait. And each valet patron has his or her own way of gauging time; but almost invariably they estimate two minutes as ten, and five minutes as a half-hour. They also maintain that the other valet patrons, who came out after they did, got their vehicles back first.

As valet parking is more of a service than it is anything else, service levels should be built on foundations established in the service industry.

The following are ideal levels of service (LOS) for wait times when claiming vehicles:

Table 1: Valet Wait Times -- Level of Service (LOS)

LOS	Wait Time ⁽¹⁾
A	Less than 4 minutes
B	4 - 6 minutes
C	6 - 8 minutes
D	8 - 10 minutes
F	Exceeds 10 minutes

⁽¹⁾ From presentation of ticket to return of vehicle to porte cochere.

Arriving patrons, on the other hand, must not be made to wait in their vehicles for any substantial length of time before they are greeted and attended to.

A key factor in wait times, for establishing a service good level, is the distance between the porte cochere and the location of the parked vehicles. If the area where the vehicles are parked is over six minutes away, the LOS can never be better than a C. And, unfortunately, none of the valet patrons will ever be convinced that they only waited six minutes. Valet operations with remote parking areas are sometimes best operated by radio or telephone dispatch to help cut down on wait times.

In addition to enhancing service, locating parking spaces close to the porte cochere saves on labor costs, as fewer valets are required to move vehicles. (Staffing calculations will be explored in the next section.)



The better portes cocheres are large enough to hold a lot of vehicles, thus allowing peak arrival periods to be smoothed out. In addition, short-term VIP parkers can be accommodated by keeping their cars parked nearby in the porte cochere area.

Staffing Guidelines

Another key factor in maintaining service is staffing. Valet parking is labor intensive and the largest line item on any valet operation pro forma budget will be labor cost. It is thus crucial to the success of the operation that the staffing level be appropriate – too many valet attendants and the operation is a financial sinkhole; too few, and the service level is unsatisfactory.

Planning the staff size is essential. We will review how to do this, but it is also important to recognize that a valet operation has several different positions. Regardless of whether the operation is curbside at a restaurant or attending to a large banquet at a five star hotel, the set-up is the same. There should always be someone assigned to greet the arriving vehicles, open the vehicles' doors, and hand over the claim ticket to the patron. In small operations, this task can be accomplished by rotating valet attendants; in larger operations, it usually is a specific assignment and often referred to as the point or drive position. In addition, there should always be someone assigned to the porte cochere whose duty it is to meet the departing patrons and take their claim tickets. This person is responsible for beginning the vehicle retrieval process and collecting any charges associated with the valet parking. Some very large valet operations, such as those for special events, airports, or sizeable hotels, have additional positions such as checkers, who verify the locations of parked vehicles; key dispatchers, who arrange for the vehicles to be retrieved; and greeters, whose responsibilities include opening passenger doors and assisting with arriving patrons. Finally there is the position of valet attendant, whose responsibility it is to park and retrieve patrons' vehicles. This is the position that requires the greatest attention in planning and scheduling.

Scheduling valet attendants should be based on the following two factors:

- Hourly activity levels for both arriving and departing patrons, and
- Time needed to park and to retrieve vehicles.

The following is a sample operation:

1. A hotel operation averages 50 departing guests' vehicles per hour in the morning hours.
2. There are generally about 15 vehicle arrivals per hour during the same period.
3. It takes a valet 5 ½ minutes to park a vehicle and return to the porte cochere.
4. It takes 4 ¼ minutes to retrieve each vehicle and bring it to the awaiting guests.

The table below provides calculations for staffing the attendants for the morning shift at this hotel.

Table 2: Valet Attendant Staffing Calculation

Activity		Activity Time	Total Time
Arriving Vehicles	15	5.50 Minutes	82.5 Minutes
Departing Vehicles	50	4.25 Minutes	212.5 Minutes
Totals	65		295.0 Minutes

In this scenario there are almost 300 minutes of parking and retrieving vehicles per hour. Assuming that each valet attendant works 50 minutes per hour, an adequate staffing level would require six attendants. There are some variances to be aware of. Often, in busy times, valet attendants are able to reduce times and improve efficiencies by driving a recently arrived vehicle, parking it close to the spot where a claimed vehicle is already parked, and then getting into that vehicle to return to the porte cochere and to the patron. However, to be safe, and avoid understaffing and service shortfalls, it is always preferred to base calculations on the parking and retrievals necessitating valets to make one leg of the trip on foot.

Special attention needs to be paid in the hiring, training, and supervision of valet attendants. Hiring should consist of more than the cursory “Can you drive a stick?” or the hoped for possibility that the applicant can fit into the uniform of the last guy. It is strongly suggested that applicants submit proof of their driving record, available from the state. Additionally, background checks and, if permissible, drug tests, should be routinely performed. Valet applicants should be tested as to their driving abilities, and also to determine if they are physically fit to run the distances required in parking and retrieving vehicles. While it is against the law, and morally objectionable, to preclude any applicant based on physical appearance, it is important to consider the following three facts:

1. The average height of an adult American male is 5’9”.
2. The average height of an adult American female is 5’4”.
3. One of the most common complaints that valet patrons have is that their seat has been moved.

Ideally, a valet operation should employ a staff that rarely needs to move the seats. It is recommended that an employee handbook be created and made available to each new hire. Training is an essential component of the operation. The initial phases of the training should contain thorough explanations and examples of the following:

- Behavior – both expected and unacceptable
- Dress Code
- How to greet, address and thank customers

- Proper responses to a variety of queries
- How the parking rates are structured (if appropriate)
- How to handle an angry, belligerent or intoxicated customer
- How to handle damage claims or requests for refunds
- Attendance and on-time policy
- Job performance standards
- Emergencies
- Safety
- Filling out paperwork

Employees should be made aware that while management desires and hopes that no vehicle in their care will ever even be scratched, they recognize that the inevitable will happen. Therefore, it is crucial that the valets be comfortable enough to tell management when they have damaged a vehicle, no matter how slight and possibly unnoticeable.

Appearance codes are a necessary tool in managing a valet operation. Patrons are usually reluctant to entrust their vehicles to someone whose presentation is unkempt or unclean. Body odor, strong cologne, or on-the-job smoking leave unpleasant reminders in patrons' vehicles. Gum chewing or any type of eating on the job will cause patrons an uneasy feeling. Large rings or loose metal wristwatches can inadvertently cause scratches. Often, valets will extend a hand to assist a patron in exiting their vehicle. It is highly preferable that these hands have a manicured or cared-for appearance. Valets should be instructed that while sneezing is sometimes unavoidable, it can distress a patron to see it done in a their vehicle.

Surprisingly, something as inconsequential as tips can generate tremendous controversy within a valet operation. Typically, valet attendants earn minimum, or just above minimum, wage. Their income is vastly dependent on tips. Now there are two schools of thought concerning tipping. Many operations require their valets to pool their tips; at shifts' end, this fund is evenly divided up. The reasoning behind this is that it is believed that an equal disbursement will foster teamwork and prevent undesirable competition for the "big tippers". Other operations allow individual valets to retain their own tips, believing that this encourages superior service. Each practice can cause disputes, ranging from valets avoiding parking incoming vehicles at certain times to be there when their favorite patrons come out, to valets failing to put all of their tips into the pool. We make no recommendation here, other than that the best practice is probably to allow the operation's own members to decide on how they want tips to be handled.

Procedures

There are extra risks for a parking operator when managing a valet parking program. Each time a customer is given a claim ticket and leaves his or her keys with the valets, a bailment is created, making the operator legally responsible for the customer's vehicle.

To minimize the risks involved with this responsibility, there are several procedures that the valets should adhere to.

Whenever possible, valets should back vehicles into spaces. This practice allows retrieving valets, who are usually more rushed, to be able to look forward as they leave the parking space, which is much safer than backing out. As many vehicles are equipped with automatic locking devices, it is advisable to teach valets always to remove keys before closing the doors of the vehicle. Radio volumes should be lowered and then the radio turned off so that the retracting antennas will lower. The purpose of lowering the volume is to avoid startling customers when they turn on the radio after claiming their vehicle.

Tickets should always be filled out completely by the valet attendants. Typical tickets have blank spaces for the location of the parked vehicle, the license plate, color, make, and model. Valets are often hurried and choose to ignore some of the information, but it can be worrying for a patron to wait and wait while valets look for their vehicle, and even more disquieting to be asked, after a while, to describe their vehicle.

A claim check is handed to each patron when dropping off his or her vehicle. This claim check should have a unique, pre-printed number that corresponds to the portions of the ticket that goes with the vehicle. The claim check should have an area where the valet can note pre-existing damage. Whenever possible, each vehicle should be visibly inspected for damage while the patron is dropping it off. Damage should be noted, both verbally to the customer and on the ticket (in reality, this is rarely done). In operations where there is a great amount of activity and operational logistics preclude pre-inspection, valets should still do an inspection after they have parked the vehicle.

Upon bringing a customer's vehicle to the porte cochere, valet attendants should turn off the lights, shut off the ignition, and remove the keys. They should then wait by the vehicle with the driver's door opened. As the customer approaches the vehicle, the valet should help them into the seat, verify the claim ticket (by matching the number to the identifying number on the other portion of the ticket that was retained with the vehicle), and hand the keys to the customer. This is done so that the customer does not inadvertently turn the ignition key to an already idling vehicle, causing ignition damage.

Risk Factors to Eliminate

We previously discussed procedures to reduce the risks involved in managing a valet operation. There are also several conditions and practices that should be reviewed and considered.

As the valet operation is responsible for the vehicles in its care, hazards need to be evaluated and eliminated to make that responsibility easier. Parking facilities should be thoroughly swept daily to get rid of nails, screws, or other sharp objects that could cause a flat tire. Low pipes and exhaust ducts should be clearly marked and flagged so that

valets will not hit them with their vehicles. Columns should be wrapped and ramps kept dry.

Employees should also be well advised and supervised with the aim of reducing carelessness. Valets must not use vehicles as writing surfaces. Valets should be reprimanded for excessive speed or reckless driving. And they should never move a vehicle with a door even partially open, not even for a short distance.

Unsafe vehicles should not be brought into the parking facility. If the brakes or clutch seem faulty, it is the best practice to move the vehicle to a safe parking place in the porte cochere.

Pedestrian accessways should be designed to provide minimal opportunities for pedestrians and vehicles to cross paths.¹ And valet paths for running to and from the parking facility should be planned so as not to become a hazard.

Disclaimers should be printed on the claim portion of the tickets specifying both the operator's and the vehicle owner's responsibilities.

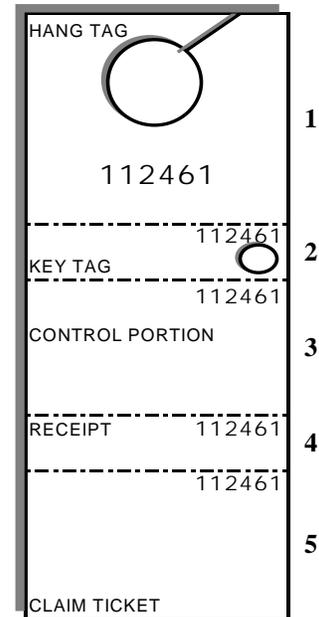
Rigorous defense of damage claims is a must. Many valet patrons rarely look closely at their vehicle until after a valet attendant has driven it. And that's when they first notice what may well be pre-existing damage. Popular culture, particularly movies and television, has conditioned society to associate valet parking with all sorts of misfortune, from glove compartments being rifled to vehicles being taken on joy rides. The public's perception of valet parking is a difficult one to overcome and it, at times, is the source of mistrust and claims. While managing a valet operation at a major Los Angeles hotel, I was confronted by a patron who was livid that her vehicle had been driven by my valets while she was in the hotel. She had apparently recorded her mileage when she had arrived and, according to her calculations, an additional 350 miles were now on her odometer. I was very disappointed with the behavior of my staff until I learned that she had only arrived at the hotel about an hour and an half before. Unfortunately, no amount of explaining and summarizing of the laws of motion and time could convince her that nothing had happened.

¹ There is a hotel in Los Angeles that had a pedestrian walkway that cut across the lanes valets took to park the vehicles. On one rainy November evening, a valet was not able to stop quickly enough to avoid hitting one of the guests. The guest was struck by his own vehicle.

Supplies

A valet operation should be set up with the following supplies:

- *Podium* – A tasteful looking podium with a self-locking cabinet and drawer should be positioned at the porte cochere. The look should reflect the type of property the valet operation is serving, i.e., elegant for a hotel, modern and utilitarian for an office building.
- *Five-part tickets* – The drawing at right represents a typical five-part ticket used in most valet operations. Each section is identically numbered and the bottom part (5) is separated from the ticket and handed to the valet patron to serve as their claim ticket. The valet attendant takes the entire ticket with the vehicle and parks. The top portion (1) is separated and hung from the mirror, numbered side facing out. The key tag portion (2) is secured to the vehicle's key ring. The control portion (3) is filled out with the vehicle description, the location that it is parked in, and any damage is noted. The control portion and receipt (4) are then brought, still attached, to the porte cochere. Upon claiming a vehicle and after paying any fees, the receipt (4) is separated and handed to the customer. The claim ticket (5) and control portion (3) are stapled together and retained at the porte cochere. The valet who has retrieved the vehicle must verify that the hang-tag (1) matches the receipt (4) that the customer has.
- *Uniforms* – Valet uniforms need to be professional in appearance but comfortable. Avoid fancy coats and hats as these can interfere with a valet's ability to easily get in and out of vehicles. It is recommended that the uniform have few, or preferably no, pockets. Every valet manager can, unfortunately, tell the same story about the one time their best valet left early, with keys belonging to a VIP unknowingly in one of his pockets. There is never a happy ending.
- *Pens* – It can be surprising how such a minor thing as the type of pen used can save so much time. But in valet operations, when speed and efficiency are so important, a pen with a click top is the best. Valets can actually use one hand to activate their pen and fill out tickets. Pens that twist to open or have removable caps can be nuisances.
- *Emergency equipment* – Invest in jacks and vehicle trolleys, tire pumps, and air compressors, oil absorbent, and fire extinguishers. Have the numbers of several qualified locksmiths available.



Preparing for Large Events

A true test of any valet operation lies in the handling of a large event. Hotels and special event venues often have occasions in which hundreds and perhaps, thousands of attendees are invited and anticipated to show up. Valet staffing for these events is accomplished in the same fashion as explained earlier. Assumptions for the number of vehicles to expect are based on the following:

1. Average vehicle occupancy is 2 ¼ persons.
2. In venues where there is convenient, and more economical, self-parking, expect that 45% of the attendees will choose valet parking.
3. In venues where there is convenient, but similarly priced, self-parking, expect that 65% of the attendees will choose valet parking.

The table below provides a summary of the quantities of vehicles to expect for events and the breakdown by valet and self-parking.

Table 3: Parking Breakdown for Events

Attendees	Vehicles	Valet at a Premium		Identical Pricing	
		Valet Vehicles	Self-Park Vehicles	Valet Vehicles	Self-Park Vehicles
2,000	941	424	518	612	329
1,500	706	318	388	459	247
1,000	471	212	259	306	165
750	353	159	194	229	124
500	235	106	129	153	82
400	188	85	104	122	66
300	141	64	78	92	49
200	94	42	52	61	33
100	47	21	26	31	16

The above demonstrates that there can be a significant quantity of valet vehicles generated by an event of some size. Invariably, large events, such as weddings and banquets, have receptions, or arrival times, of one hour or less. This can place an enormous burden on the valet staff as over 500 vehicles arrive at the porte cochere in less than 60 minutes. In cases such as these it is advisable to augment the operation by providing shuttle vans to quickly return valet attendants to the porte cochere and to provide radio communication at several key points to facilitate the parking process.

As an exercise, we will plan, staff and manage a large event (on paper). Let's use the same hotel as in the previous section on Staffing Guidelines and we'll stage a 2,000-attendee banquet in which the cost for valet parking will be \$10 higher than self-parking. Additionally, there will be a 45-minute reception for this event.

Table 3, above, provides us with an expected 424 vehicles to be valet parked. The following table details our needed staffing, using the same guidelines as discussed earlier, with the exception of the time it takes to park the vehicles. The time is reduced to 3 ½ minutes per vehicle because we'll be using shuttles to pick up and bring back the valet attendants.

Table 4: Parking Time Requirements for 2,000-Attendee Event

Activity		Activity Time	Total Time
Arriving Vehicles	424	3.50 Minutes ⁽¹⁾	1,484.0 Minutes
Departing Vehicles	50	4.25 Minutes	212.5 Minutes
Totals	474		1,696.5 Minutes

⁽¹⁾ Reduced parking time as a result of shuttles being utilized to ferry valet attendants.

In our exercise, there are only 45 minutes to handle the arrival of the attendees, so we will have to divide the 1,697 minutes needed by the 45 minutes available, resulting in a valet staff of 38 attendants. In addition to the parking staff, we will need a minimum of three shuttles and drivers, a point or drive person to pass out tickets and direct incoming traffic, two supervisors (one on the front drive and one at the parking location), and two other attendants to handle the sorting of the tickets and keys. Thus, an event of this size will require a staff of 46 to effectively conduct this process.

As mentioned earlier, there are advantages to having the location where the vehicles are parked as close as possible to the porte cochere. In our example, every additional minute required to park a vehicle, and the additional time adds up the farther away the parking area is, would require an additional nine or more attendants to handle this event.

Figure 1 provides a layout of how to stage for a large event. In our example, the porte cochere has three lanes. As vehicles arrive, the drive, or point person, directs them down lanes 2 and then 3, where valets are stationed to stop the vehicles, open doors and greet the attendees. Lane 1 is considered a drive lane and it, or either of the other two, must be kept clear at all times. If necessary, arriving vehicles should be held up until a lane can be cleared for them. Blocking all three lanes is a fire and safety violation, as well as an operational failure. The attendants are lined up in one lane as the vehicles arrive and move to take the arriving vehicles to the parking facility and then return to the back of the line.

After all of the attendees have arrived, the tickets and keys must be balanced. There should be a set of keys for every ticket issued and a ticket for every parked vehicle. Sorting this out before the event concludes is imperative.

Pricing

Competitive rate surveys should be performed quarterly to ensure that the valet operation is at market rate. An important factor to consider, beyond what the competitive set is charging, is that of meeting costs. Valet operations are far more labor intensive than self-parking operations, and the reality of legal responsibility for the care of the patrons' vehicles results in high insurance premiums. Valet rates should be at a premium to both cover budgeted expenses, and to dissuade a portion of the parking public from valet use and reducing service levels.

There are instances when a valet program may be marketed at a loss to encourage use. In office buildings where there are space constraints, offering a limited and lower cost valet service, can induce monthly parkers to utilize the program, freeing up valuable self-park spaces.

Trends

There are far more valet operations than ever before and many new applications. Years ago, valet parking was strictly the realm of high-end hotels, country clubs, and select restaurants. Today, one can find valet operations flourishing at airports, hospitals, and even shopping malls. As the need to provide better service continues to be a goal of most industries, we can expect valet operations to be able to grow right along side.

Technology is also growing up with valet parking. Today's parking equipment comes with interfaces that allow hotel valet operations the ability to attach charges directly to a guest's room before they've even checked in at the front desk. There is also equipment on the market that will take digital photos of all four sides of a vehicle as it is being brought into and out of the parking garage, allowing the valet operator to have irrefutable proof of pre-existing damage to a vehicle. Some hotels have kiosks in the lobby with which a guest can arrange, by touch screen, to have their vehicle retrieved and waiting for them.

But it's service that counts. That well-mannered valet in front of the restaurant on a bitter cold evening is what makes valet patrons feel special.