

CAIO/Alliance Bus Group

by Larry Plachno

Photos courtesy of Alliance Bus Group

Today you can go to your Alliance Bus Group dealership and purchase a CAIO motorcoach for your fleet. In addition to being offered financing, Alliance will also support your CAIO motorcoach with service and parts through its new Alliance Evolution program. How this all came about is one of the more interesting bus success stories of late.

Old Friends Form a New Partnership

CAIO motorcoaches are hitting the road in the U.S. as a result of a joint venture between Mark Middleton from CAIO North America and Doug Dunn from Alliance Bus Group. The pair shares a long working history and has watched the rise and demise of various motorcoach brands over the years. Through their similar experiences and different capabilities, CAIO and Alliance Bus Group set out to deliver two new motorcoach models built for the North American market and supported by the largest service infrastructure in the U.S.

With motorcoach prices going up each year, increasingly squeezing operator margins, Middleton recognized an opportunity to produce a quality motorcoach for a wider range of budgets by combining efficient manufacturing processes from multiple sources. Thus, the CAIOs built for the North American market utilize a tubular steel integral body construction in conjunction with front and rear Power Modules (sometimes called Sleds in Europe). To ensure all CAIOs meet North American specifications, he leveraged his relationship with Daimler/Freightliner for components to build the Power Modules, which could then be connected directly to the integral CAIO body at the factory. The end result was a motorcoach design that combined the strength and durability of an integral body with a more efficient method of construction.

Middleton knew he needed a significant distribution infrastructure for operators to invest in a new product. He found the proverbial match made in heaven at Alliance Bus Group. In addition to building one of the largest multi-location bus dealerships in the country, Dunn had spent 25 years developing his own relationship with Daimler in the finance and service areas. This meant CAIO owners could leverage Alliance Bus Group resources for in-house financing and access to a network of more than 400 service centers across North America. This was important as many people in the industry were just getting to know CAIO.

Doug Dunn, CEO of Alliance Bus Group (left), and Mark Middleton, president of CAIO North America (right), have a long history in the bus industry. They have worked to bring two motorcoach models to the North American market.

CAIO

CAIO dates back to 1946 when the company began building bus bodies. In 1982, a new production plant was opened in Botucatu, Brazil that has grown to a 1.33 million-square foot production facility located on 148 acres. The company employs more than 4,000 people, produces up to 50 buses per day and has now built more than 180,000 buses since 1946. CAIO is also an ISO 9001-2000 certified full line bus manufacturer.

CAIO offers a wide range of vehicles including cargo vans, mini-buses, mid-sized buses, transit buses and motorcoaches. In fact, CAIO is the largest commercial bus builder in the Western Hemisphere with several different conventional transit buses as well as a range of articulated buses. In addition to coaches, their products include two models of three-section bi-articulated buses for the rapid transit category.

In 1960, the company's current owners began operating its own fleet of CAIO buses, which has since grown to more than 4,500 vehicles in active operation. Transporting close to one billion people annually, the company believes operating its own buses and motorcoaches gives it unique insight into the needs of its customers. One byproduct of this experience is a more advanced understanding of integral construction and the use of Sleds.

The Rise of Sleds and Power Modules

In 2005, we published an article detailing the various types of integral construction at the time. The CAIO integral construction method is similar to what we have noted in past articles, though the Brazilians have their own take on manufacturing specifics. CAIO receives the front section with a front axle and steering wheel and a rear section with a rear axle(s) and engine. These sections are temporarily fastened together and arrive at the CAIO production facility where all associated components are connected to the integral frame structure.

In Europe, this is sometimes referred to as "Sled Construction" because the components are slid underneath the integrated body. Here in the U.S., Daimler's Freightliner and CAIO North America have designated these component parts as "Power Modules" mainly because the components are placed, not slid, under the integral body. Though the use of Sleds or Power Modules was fairly limited in Europe, the emergence of CAIO integral construction in the U.S. seems to validate its relevance.

The main benefit to Power Module construction is that it allows Middleton to have all CAIOs built with North American mar-



Founded in 1946, CAIO is an ISO 9001-2001 certified full-line bus manufacturer with a 1.33-million square foot production facility located on 148 acres in Sao Paulo, Brazil. Their product line includes coaches, transit buses and even bus rapid transit-type articulated buses.

ket specifics and components in mind from the start, as opposed to modifying existing construction to fit local needs. The result is a motorcoach that Alliance Bus Group believes it can use to augment its extensive product offering.

Alliance Bus Group

Alliance Bus Group is a diversified distributor of buses and related parts and services. Their vehicle product line is extremely broad, offering vans, school buses, mid-size cutaways, heavy-duty transit buses and motorcoaches.

Alliance Bus Group sells and services thousands of commercial vehicles every year and was recently named the "Fourth Fastest Growing Large Middle-Market Corporation" in Georgia by the Association for Corporate Growth. With a rapid expansion into new territories and markets, Alliance Bus Group has more than tripled sales and employment despite the challenging economic environment. Dunn believes Alliance Bus Group's existing presence outside the motorcoach market will be an advantage for CAIO customers, "I think customers feel comfortable buying a motorcoach from an established operation for a number of reasons, not the least of which is the higher residual values associated with a strong distributor being able to remarket pre-owned units."

Above and beyond bus sales, Alliance Bus Group supports customers through comprehensive programs in service, parts, financing, insurance and driver training. The Alliance Evolution program, mentioned in more detail later in this article,

expands the finance and service offerings significantly for motorcoach customers.

Alliance Bus Group hangs its hat on providing customer service throughout the lifecycle of its products, which is reflected in the company tagline, "Along For The Whole Ride." In 2012, *Smart Business Magazine* awarded Alliance Bus Group the Five-Star World Class Customer Service Award, highlighting the "Servant Culture" exhibited by the company's staff.

Alliance Bus Group has its own physical locations in Atlanta, New York, Dallas, Orlando, New Orleans and Jackson, Mississippi. The company has a 60,000-square foot service and refurbishment facility with centralized parts servicing the 400+ service locations across North America. Plus, motorcoach customers can call a 24-hour hotline for technical and service support. They are easily among the most far-ranging and diversified distributors in the bus industry.

The CAIO G3400

The CAIO G3400 integrates two world leaders in motorcoach manufacturing by combining front and rear Power Modules that are produced by Freightliner with an Integral Bus Body produced by CAIO.

What are known as Power Modules are the front control section that contain the front axle, suspension, driver controls and gauges and a rear power section that contain the rear axle(s), suspension, engine and transmission. These components are temporarily fastened together and arrive at CAIO looking like a short chassis although any structural members holding



CAIO offers a very extensive product line including small buses, coaches, transit buses and even bus rapid transit vehicles. Shown here is one of CAIO's Millennium bus rapid transit articulated buses with a length of 87.4 feet.



Alliance Bus Group has a state-of-the-art, full-size paint booth for any size coach.

the components together are temporary. CAIO's G3400 integral construction technique allows for these components, which are not necessary for integrity of the structure of the motorcoach, to be attached to the superstructure during the body assembly process. A noteworthy fact is that this construction technique is common to CAIO as they produce motorcoaches for operators throughout the world. It allows for the use of Power Modules from Volvo, Scania, Volkswagen, Daimler's Mercedes Benz as well as Daimler's Freightliner for the North American market.

The end result is an attractive midsize rear-engine design that offers full-size motorcoach styling with underfloor luggage compartments. As the midsize option, the G3400 is 36.7 feet long and 11 feet, seven inches high, meaning it will still fit into a 12-foot garage door. The 102-inch wide body is equal to a full-size motorcoach and offers

the same seating comfort. This motorcoach also includes the popular Cummins 280 horsepower ISB engine and an Allison five-speed transmission. A more powerful 330 horsepower Cummins ISC engine is optionally available. The G3400 offers full-size luxury motorcoach features at a lower cost of ownership necessary for operators transporting smaller groups. Other passenger features include full air ride suspension, reclining seats, an overhead parcel rack with passenger vents, reading lights and a self-contained fresh flush restroom.

A flexible manufacturing process allows operators to choose either a KONVEKTA or MCC (Formerly Carrier) HVAC system that includes radiant floor heaters. The electrical system includes a 24-volt alternator and a 12/24-volt system similar to those found in full-size motorcoaches. Though not required for other CAIO markets, all North American deliveries include

a standard kneeling system to assist non-ambulatory passengers.

Other standard equipment includes a six-monitor REI entertainment system, a multiplex control system, a spare tire compartment, central locking baggage and fuel doors, heated mirrors and LED lighting throughout the coach.

The CAIO G3600

CAIO owners were so pleased with the G3400 model that they asked whether the same CAIO quality could be made available in a full-size motorcoach. Given the fact that the G3400 was derived from its larger counterpart, this request was easily satisfied as the majority of the North American homologation had already been completed and could be carried over to the larger motorcoach. As a result, the larger Freightliner Power Modules were sent to the fac-

Alliance Bus Group's comprehensive 60,000-square foot service and refurbishment facility has 10 service bays and is located at corporate headquarters in Atlanta, Georgia.



tory to produce a full-size motorcoach specifically for the U.S. and Canadian market. Known as the G3600, it offers the standard American dimensions of 45 feet long and 102 inches wide. It is 12.5 feet high and has a seating capacity of 56 passengers plus tour guide and driver with a restroom.

A particularly interesting fact is both the G3600 and G3400 share the same basic design and they are produced using the same integral construction methodology. The main difference in the body construction is the height dimensions. The G3600 has a base height of 3600 mm (11.8 feet) and the G3400 a base height of 3400 mm (11.2 feet) – the eight-inch difference being in the height of the luggage bays and one additional entry step. The length is dictated by the capacity of the Power Modules. CAIO produces the G3400 in longer configurations for other markets and could easily produce it in a 45-foot length for the North American market by simply utilizing the Power Modules currently being used on the G3600. The commonalities render the interiors of the two motorcoaches virtually identical from the floor-line up and operators benefit from parts interchangeability and like type operation for drivers.

It is powered by a Cummins 450 horsepower ISM engine and has an Allison B500 six-speed transmission. The G3600 offers every feature expected in a full-size luxury motorcoach, including air ride suspension, traction control and an impressive 477 cubic feet of luggage area. Of course, operators will also find reclining seats, overhead parcel racks with vents and reading lights, and a kneeling feature. It is also important to note the 2013 G3600's will be powered by Detroit's DD13.

Other standard features include a 12/24-volt electrical system, a program-



The CAIO G3400 is an attractive midsize coach measuring 36.7 feet long and 102 inches wide with full-size luxury motorcoach features.

mable destination sign, left and right side fuel fill, a pneumatic passenger entry door, an ISRI pneumatic driver's seat, heated mirrors, a tilt and telescopic steering wheel, a multiplex control system, disc brakes on all wheels and engine shut-down protection. There are numerous options available including 110-volt outlets, WiFi, a GPS system, a Webasto pre-heating system, a wheelchair lift, three point seatbelts and more.

Looking Ahead

"2012 was a foundational year that gave us proof of concept," says Dunn.

He also noted that Alliance Bus Group is currently filling orders of 6-8 new CAIO motorcoaches per month with orders expected to grow over the next year. In an effort to maximize the business appeal of CAIO motorcoaches, Alliance Bus Group will unveil a new ownership program at this year's UMA Motorcoach Expo.

As the exclusive distributor for CAIO North America, the "Alliance Evolution" program is designed to provide support to CAIO customers from purchase throughout the lifecycle of ownership.



The CAIO G3600 is a full-size, 45-foot motorcoach that offers 477 cubic feet of luggage area.



Alliance Bus Group is capable of handling any type and level of refurbishment, from heavy-duty transit buses to motorcoaches.



Doug Dunn (left) and Mark Middleton (right) stand in front of the ergonomic CAIO G3400 coach.

First and foremost, the Alliance Evolution program includes unique financing options. All CAIO financing is provided by in-house resources, underwritten by Alliance Bus Group and backed by Daimler as well as a host of other sources. Dunn claims this will result in more competitive rates and faster approval. What makes the Alliance Evolution Program stand out is the fact that it allows operators to custom tailor lease terms and conditions across a broader spectrum than other distributors. Comprehensive financial leasing options range from 12-month to 84-month terms with assured residual values.

The second pillar in the Alliance Evolution program is the goal of providing uninterrupted service for customers through the largest service and support network in North America. Combining Alliance Bus Group service centers and the vast network of Daimler/Freightliner parts and service facilities gives CAIO customers more than 400 locations across North America to choose from. Additionally, there are two hotlines for support and a nationwide roadside assistance program. CAIO owners also receive advanced technical training from manufacturers and certified specialists.

When asked why this ownership program was necessary, Dunn explained, "We want our customers to know we won't disappear after the sale. If we are good to our customers for as long as they own a CAIO, we know we will be rewarded with repeat business."

Those who attended the UMA Motorcoach Expo in Orlando were able to see the CAIO G3400 and G3500 at booth 949. Those who did not can contact their Alliance Bus Group representative at (866) 287-4768 for more information. □

The central parts distribution warehouse is conveniently located next to the Atlanta airport for easy overnight shipping across North America.



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