



MCI's New Pre-Owned Coach Program

Something Old, Something New

by Larry Plachno

Photos by author unless otherwise indicated

Responding to customer requests, MCI recently created a new pre-owned coach sales program that takes advantage of the longevity found in integral coaches. In addition to offering three quality levels of pre-owned coaches, the program also provides a limited warranty for the two higher quality levels as well as some initial preventive maintenance. Shown here is a pre-owned coach signed for the Select+ category in the new MCI pre-owned coach program.

MCI's new Pre-Owned Coach Program offers some interesting new options and alternatives to the bus industry. It also makes somewhat of a break with recent trends and returns to a few of our old industry traditions surrounding residual value and coach longevity. By its new pre-owned program, MCI reminds us that there is a lot of life left in a pre-owned coach, and that it can fit nicely into a fleet of almost any mix, offering economic benefit to the operator.

In recent years we have lost sight of the old traditions regarding coach durability and longevity. While scheduled service operators may still be looking for durability and longevity, tour operators may not. They may be happy running a coach for a million miles and then selling it. At that point the coach may still have lots of miles left.

In many cases the best new coach for a bus company may be a pre-owned coach. Many bus companies operate services such as lower cost charters or some types of

scheduled service where the revenue does not justify the financing costs on new coaches. For them, the obvious alternative is a good pre-owned coach. When I ran Wisconsin Illinois Stages in a rural area of southern Wisconsin, we depended a great deal on pre-owned coaches to meet our needs. In our case we either had the dealer do substantial work on the coach or we did it ourselves. Their cost worked well with our type of operation and some of the passengers even thought the coaches were new.

A classic example was a small tour company in the Chicago area. Feeling that they had to purchase new, they acquired a mid-size shuttle bus that simply was inadequate for their operation. After talking with them at length, I advised a pre-owned integral coach. Not only did that work well for them but they were also able to increase profits by filling the additional seats.

I always scour Web sites for market data on pricing and what units are available. MCI, as a leader in pre-owned coach sales, has a wide breadth of inventory, so when they launched their new Plus Program and Pre-Owned Web site, I was quick to take notice. Many people think that MCI's focus is only on new coach sales, but they sell almost as many pre-owned units into the independent market.

With Mitch Guralnick as the faceman, this is not at all surprising. A former bus operator, Guralnick knows what operators need. Plus, he is supported by a strong, hard-working sales team, some of the most experienced in the industry. What they work with is some of the industry's best inventory of trade-ins.

It is also not surprising that this new pre-owned coach program comes from MCI. The MCI pre-owned coach heritage dates back to Hausman Bus Sales, the pioneer company in national pre-owned coach sales. Today, MCI has several locations that stock pre-owned coaches for sale. In addition, with MCI being the leader in new coach sales, the greatest number of coaches on the pre-owned market carry the MCI name. In a recent discussion with Mitch he reminded me that many of the newer models from MCI are built with the same quality that launched MCI's "Workhorse" reputation during the era of its MC-Series model builds. "Today, you'll find our early E coaches with over four million miles on them - when well maintained they'll do another million," said Mitch. "Technology is making today's coaches even better. At one time a lavatory was an option. Now, WiFi, 110-volt power outlets, plush seating and a host of other options makes travel by motorcoach a relaxing, enjoyable experience for the passenger."

Brent Maitland, MCI pre-owned coach vice president, said "What has changed is that after talking to hundreds of operators

about what they like and don't like about the buying process, we've come up with an approach that fits today's pre-owned coach marketplace, and we've added value with an online tool that allows operators to start a very detailed coach search when they have the time, day or night. Plus, warranty and scheduled maintenance included on certain models, gives them peace of mind that they are buying the right bus"

MCI's new pre-owned program can be looked at as three major sections. It offers a new Web site with several sections, features and enhancements. For those people who prefer to use the telephone, MCI now offers the services of a Coach Concierge who can understand your needs and help find the right coach for you. The new program also includes three different programs of pre-owned coaches to meet the needs of different operators.

The basic level is called the Deal program. It provides a drivable coach at an affordable price. MCI does inspect key items on the coach to make sure they are operational. They can also provide an estimate for repairs, improvements or enhancements to meet your individual needs. This is the appropriate level for a company buying solely on price or where your own garage can go through the coach thoroughly or do some refurbishing.

Next is the Select+ program. These are MCI coaches 11 years old or newer that have gone through a 210+ point inspection. Buyers get a coach that is clean and ready to go into revenue service immediately. MCI provides a 60-day limited warranty on the pre-owned coach. Included are scheduled pre-



Mitch Guralnick (left), MCI's director of pre-owned coach operations, and Brent Maitland, MCI's vice president of conversion and pre-owned coaches, show a chart with details on the new MCI pre-owned coach program. Depending on your needs, you can select a coach based on price or get a like-new coach ready to put into service. The photo was taken at the recent Bus Con event in Chicago. MCI.

ventive maintenance inspections and recommended fluid and filter changes at an MCI Service Center for 60 days or 30,000 miles, whichever comes first. "We are offering this not only to reinforce the value provided in the vehicle, but to highlight the criticality of a strong preventative maintenance program in maximizing uptime," added Maitland.

The highest level is the Certified++ program. These typically are MCI coaches six

years old or newer that have gone through the 210+ point inspection. They represent a true alternative to a new coach since buyers get a coach that is clean and ready to go into revenue service immediately. They also get a one-year limited warranty on the coach, engine and transmission. Included are scheduled preventive maintenance inspections and recommended fluid and filter changes at an MCI Service Center are included for 60 days or 30,000 miles, whichever comes first.

"With MCI's comprehensive review of the pre-owned coach, timely repairs and parts replacement, the coaches are a great deal," said Guralnick. "In the world of pre-owned coaches, it all starts at the very beginning. It begins when we review a trade-in based on a very specific set of procedures. We invite customers to take part in the inspection. They can ask for a copy of the report and we'll discuss how they can best maintain the value of their coach."

MCI has taken advantage of the Internet to make buying a pre-owned coach easier. With pre-owned coach inventory at seven MCI locations, the Internet is the best place to find everything that MCI has to offer. MCI has also provided additional on-line enhancements to help pre-owned coach buyers. Here is a list of the features you will find on the new Pre-Owned Page on the MCI Web site:

- Inspection criteria for the Certified++, Select+ and Deal programs.
- A listing of available pre-owned coach inventory with specifications and prices. This is updated daily.

MCI offers many relatively new coaches in its new pre-owned coach program. Shown here is a 2008 MCI D4505 with a total of only 108,000 miles. After going through a 210+ point inspection program, the coaches in the Select+ and Certified++ categories are ready to be put into service. MCI.



- A new feature called Coach Finder Alert. Do you have a need for a particular drive train, entertainment equipment or wheelchair lift? MCI's exclusive sign-up notification feature lets a customer know when a coach with their exact specifications comes on the market and where that coach is located.

- There is a detailed search feature that allows you to search the Pre-Owned coach inventory by several criteria including model, manufacturer, year, price range and type.

- A new "For Sale By Owner" allows qualifying MCI customers to sell their own coaches direct to buyers.

- A newly launched section is called the online Bus Outlet. This provides buyers with MCI's deepest discounts.

- There is also a finder for MCI sales representatives so you can easily find and reach your sales representative.

While the new and updated online features are impressive, MCI has also provided for those operators who may feel more comfortable speaking with a human instead of dealing with the Internet. This new service is called MCI's Coach Concierge. It simplifies pre-owned coach shopping by giving you access to an expert who can assess your needs, requirements and price concerns and match you with the appropriate coach in inventory. You can reach the MCI Coach Concierge at (877) 428-9624 (1-877-I BUY MCI).

Many people do not appreciate the quality built into the integral coaches predominantly operated in the U.S. and Canada. At one time Greyhound typically put at least 1.5 million miles on a coach before selling it. Those coaches then went on to a second life with a charter operator and then a third life in private hands as a motor home. Some of those coaches are still running today after millions of miles of use and more than five decades since they were built.

The classic case is probably the Greyhound Scenicruisers. On average, they most likely put in more miles for their original owner than any other coach model. Many reached three million miles before being sold by Greyhound and they too went on to a second and third life. A few are still running today in private hands at more than 50 years of age. Typically, the key point has been that if you maintain them properly, integral coaches will run an amazing number of miles.

All of this was well known in the bus industry in the decades immediately following World War II. New start-up bus companies typically started with pre-owned coaches until they built up their business and could afford new coaches. Many established bus companies kept both new and older or pre-owned coaches in their fleets for different levels of service. The new coaches were



MCI uses a 210+ point inspection on coaches going into the Select+ or Certified++ levels of the pre-owned coach program. Taken at the MCI facility in Des Plaines, Illinois, this coach was being torn down for inspection. Note that in addition to checking systems and components, the wheels have been removed for inspection.



The MCI inspection for the pre-owned coach program covers virtually every corner of the coach. Included is a thorough inspection of the running gear, suspension system and steering system. Here, Oscar Chacon, a technician at the MCI Service Center in Des Plaines, Illinois, is down in a pit doing a thorough inspection of a coach going into MCI's new pre-owned coach program.

usually booked for the tours and higher quality charters while the older or pre-owned coaches were used on the ball game and school charters where cost was a major consideration. All of this worked well provided that you maintained the coaches properly.

Coach operators were also concerned about residual value. For many companies, coach residual value was a major part of company profits. As a new coach was paid off, the company increased equity in its fleet. This could either be looked at as profit or the

coach served as a down payment on a new coach to upgrade the fleet.

A survey we did in the 1980s showed that most coaches had three lives at that time. On the average, the company buying a new coach would keep it for seven years. It then went into the fleet of a second company where it usually was used in a slightly lower level of service. That second ownership also lasted an average of seven years when the coach went to a third owner. If a bus company, it was typically used occasionally or in

a lower level of service. Or, it may have gone to a church or group for private service or to an individual that used it for a motor home.

What happened is that some of this changed in the 1990s with the move to 45-foot coaches. This got started in 1988 when Eagle began building 45-foot coaches. Initially, this longer size was slow to catch on because their length was illegal on many roadways. In 1992, the feds approved the 45-foot coach length and the coach manufacturers then began to offer 45-foot coaches. The industry embraced the new 45-foot length immediately which caused several things to happen.

New coach sales started to increase in 1992 and reached what is considered a 50-year high in 1998. In 1995, the 45-foot length surpassed the 40-foot length in popularity. Consider the fact that in the 10-year period from 1994 to 2003 a total of 26,763 new integral intercity coaches were sold on the U.S. and Canadian market. Of these, 20,484 or 77 percent were 45-foot long.

While this was obviously a move to 45-foot coaches, it was also a trend to buying new coaches rather than pre-owned. There were few, if any, 45-foot coaches on the pre-owned market. Hence, if you wanted to add 45-foot coaches to your fleet you generally purchased new coaches. Several things resulted. The industry trend at this point was to buy more new coaches and fewer



For operators who buy on price alone or who want to work on coaches in their own shop, MCI offers the Deal category. You get a solid pre-owned coach at a reasonable price. Shown here is a 2000 MCI 102DL3 in the Deal category.

pre-owned coaches. Residual value dropped and the pre-owned coach market suffered because there were too many unwanted 40-foot coaches on the market. It might also be noted that when the economy turned downward, several bus oper-

ators were in a bad position because of purchasing and financing a larger number of new coaches.

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In the following years, the pre-owned coach market eventually worked out the disproportionately high number of 40-foot coaches. Today, there are some worthwhile and really nice recent model coaches on the pre-owned market at attractive prices.

For a look at all MCI models, both new and pre-owned, or to find an MCI sales representative, go to www.mcicoach.com.

Overall, we are reminded that, especially in tough economic times, a pre-owned vehicle can be a way to upgrade

your fleet, while saving money. MCI has made this process much easier for potential buyers providing peace of mind with their product and ease of using their systems. □

Several coaches going into the new MCI pre-owned coach program are lined up outside at the MCI facility in Des Plaines, Illinois. The first three coaches in this row recently arrived from Indian Trails. Other MCI locations will also have inspected pre-owned coaches available.

