

## Enterprise holdings, Inc.: riding in style

### Introduction

Enterprise Holdings Inc. is the largest rental car company in the United States, It is the parent company of car rental companies, such as, Enterprise Rent-A-Car, Alamo Rent a Car, Enterprise Carshare, and, National Car Rental ([https://en.wikipedia.org/wiki/Enterprise\\_Holdings](https://en.wikipedia.org/wiki/Enterprise_Holdings)). The company was founded by Jack Taylor in St. Louis and headquartered in Clayton, Missouri, United States. It has a world-class portfolio of brands (for example, Alamo, Enterprise, National, Enterprise Car Sales, Enterprise Car Share, Rideshare, Zimride, Enterprise flex-a rent, and, so on) in more than 70 countries, with more than 1.7 million vehicles. 93,000 employees have been working for the company (<http://go.enterpriseholdings.com/our-company/about-us/>). It has 8,100 corporately owned rental offices in the United States, Canada, the United Kingdom, Germany, Ireland, France and Spain. It provides daily and weekend car rental to companies and retail customers. It is also a leading provider of courtesy cars for customers who need a replacement vehicle after being involved in accident. Enterprise is also involved in car leasing, replacement rentals, car sharing, and hourly rental programs (<http://businesscasestudies.co.uk/enterprise-rent-a-car/developing-clear-strategies-to-fulfil-objectives-within-cultural-aims-and-values/introduction.html#axzz43bMKlulz>). The company aims to be the best transportation service provider in the world by exceeding beyond the customers' expectations for service, quality and value. It also



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makes an effort to a great workplace for its employees, along with the promise to serve the communities as a committed corporate citizen by reducing its carbon footprint and waste generation through alternatively fuelled vehicles (<http://go.enterpriseholdings.com/our-company/about-us/>).

### **History**

At the inception, National Car Rental was founded in 1947 with 24 independent car rental operations were started with 800 vehicles in 60 locations. After 10 years, in 1957, Executive Leasing was introduced at St. Louis. In 1962, Executive Leasing expanded from seven cars to seventeen cars. In 1969, the company was renamed as Enterprise, in honor of the USS Enterprise, which founder Jack Taylor served during World War II. In 1974, Alamo Rent A Car was founded in Florida. This company was a pioneer in the concept of unlimited free mileage. “Emerald Club” was introduced by National in 1987, which was the industry’s first comprehensive frequent-renter program. Enterprise started global expansion in 1993 with its first global office in Canada, followed by Germany. Alamo started the real-time Internet booking in 1995. Enterprise Rent-A-Car acquired Vanguard Automotive Group (the parent company of National Car Rental and Alamo Rent a Car) in 2009 and became a holding company (<http://go.enterpriseholdings.com/our-company/history/>, and, [https://en.wikipedia.org/wiki/Enterprise\\_Holdings](https://en.wikipedia.org/wiki/Enterprise_Holdings)).

### **Company values**

Enterprise Holding believes in eight core values, which pave the path of excellence in customer service, and congenial organizational culture. They are as follows:

***Significance on brand reputation:*** Enterprise believes that brand reputation is the most significant possession of the company, and, therefore, it should be dearly protected. In order to do so, employees are acknowledged as the owners of the Enterprise corporate identity. The underlying belief is that, the employees have built the unique

company, with one transaction, one handshake and one promise at a time.

**Reward for hard work:** Enterprise aims to work hard to remain successful in business. Hard work is the secret of Enterprise's phenomenal success. To maintain the hardworking culture, it demands sincere and honest commitment from its employees. It is a true meritocracy, where the employees get rewarded by providing employees with ample opportunities for growth, solid foundation in business operations and true entrepreneurship. This makes Enterprise a Holdings a great place to work for the individuals who take ownership and responsibility for their goals and aspirations.

**Honesty and integrity :** Personal honesty and integrity are the foundation stones of Enterprise's success. Considering this, Enterprise marks the uniqueness of its culture by respecting individuals, who are associated with the company, directly or indirectly. Irrespective of the status of the stakeholders, such as, customers or employees, it focuses on building loyal, long-term relationships by meeting their needs and earning their trust. In accordance with the culture, the employees, through their behavior, demonstrate the company's ethical standards and commitment towards customers and society, at large.

**Community assistance through meaningful business activities:** The company believes that, the people in the local communities, where they operate, are responsible to make the business a success. Therefore, to reciprocate the same support, Enterprise is committed to support the communities, in the process of growth. In doing so, the company adopts several strategies. For example, vehicles are purchased locally, employment opportunities are generated, sales revenue are generated, and, so on. As a whole, the company makes an attempt to help the neighborhoods and local communities by taking part in meaningful business activities.

**Serving the customers:** Enterprise aims to serve the customer to exceed every customer's expectations. The company promises to be

committed to serve its customers, across the service brands. In order to do so, Enterprise links career advancement opportunities of its employees to the actual level of service provided with the customers.

**Teams at work:** Enterprise encourages its employees to have fun along with work. The company attempts to nurture the culture where people enjoy the work. Enterprise is known for enthusiasm, high energy, healthy competitive drive and team spirit. This is reflected even in the behavior of top management representatives.

**Receipt of feedback:** The Company acknowledges the need for receiving feedback. It is a common belief in Enterprise that, a company must listen to and understand its customers, to discover and explore new opportunities for customer satisfaction. The company, therefore, encourages an open exchange of ideas, in order to maintain its standards for service and success.

**Open door system:** The management of Enterprise believes in reaching out to people, across various sections of stakeholders. The company promises to respect the views of all, who are directly and indirectly associated with their business. This, in turn, not only helps the company to win the customer loyalty, but also, helps it to gain trust of the new customers.

### **Awards and recognitions**

As an acknowledgement of the total commitment towards customer and employee satisfaction Enterprise Holdings has been receiving several recognitions. Some of such recognition have been stated below (<https://go.enterpriseholdings.com/our-company/news-and-awards/#1-scroll>):

Enterprise's promote-from-within culture and its internship initiatives have been successful to make the company as a major employer for the college graduates. CollegeGrad.com has recognized the company as the number one Entry Level Employer in 2016. Enterprise Rent-A-

Car has also repeatedly been named by *BusinessWeek* magazine as one of the “50 Best Places to Launch a Career.” In Canada, TalentEgg has recognized Enterprise Holdings with the Best Grad Program award and TalentEgg National Campus Recruitment Excellence Award.

Enterprise Holdings President and CEO Pamela Nicholson has been recognized with the Highest Rated CEO recognition by Glassdoor for 2016. 94 percent approval rating was given to her, in the anonymous and voluntary reviews from current and past employees. She has also been named as one of *Fortune* magazine’s “50 Most Powerful Women in Business.”

Enterprise Holdings also received the prestigious Candidate Experience Award from the Talent Board for excellence in recruiting, in North America. Incidentally, it is the only car rental company, which has received such an award, so far.

Enterprise received a number of awards, as a recognition of the training and development initiatives offered to the employees. In the *Training* magazine, Enterprise Holdings featured in the raining Top 125 list. *Chief Learning Officer* magazine recognized Enterprise Holdings as a gold LearningElite organization in 2016.

Enterprise Holdings is also repeatedly recognized as a Military Friendly Employer for the strong military recruiting efforts, percentage of new hires with military experience, and, retention programs. Moreover, Enterprise is committed towards the employees serving in the National Guard and Reserve. It provides a pay differential when called to active duty. For such a policy, the Employer Support of the Guard and Reserve (ESGR) has recognized the company with several awards, such as, ESGR Freedom Award 2005, ESGR Patriot Award 2005, & 2012 ESGR Extraordinary Employer Support Award 2012.

As a result of the company’s sustainable business policies and practices, the Global Business Travel Association (GBTA) Foundation has awarded the Enterprise with the Sustainability Outstanding Achievement Award for 2013 and 2015,

*The Times* has repeatedly included Enterprise Rent-A-Car in the list of the United Kingdom's "Top 50 Employers for Women", as a recognition towards the company's overall commitment for the women employment.

*Budget Travel* magazine also recognized Alamo Rent A Car with an Extra Mile Award. The award was given as an acknowledgement towards the company's initiatives for its continuous commitment towards customer delight.

*Executive Travel* magazine has awarded the National Car Rental with Best Overall car rental service award, twice.

### **Communication strategies**

Enterprise Rent-A-Car uses a variety of communication strategies to create brand awareness and to ensure operational excellence, for both internal and external stakeholders. Enterprise's customer base can be divided into business-to-business (B2B) and business-to-consumer (B2C) customers. B2B customers require rental vehicles for employees whereas B2C customers have individual vehicle hire needs (<http://businesscasestudies.co.uk/enterprise-rent-a-car/communication-strategies-to-engage-a-variety-of-stakeholders/introduction.html#axzz42NUfIt6>).

**External communication:** While communicating with the external stakeholders, several factors are considered. For example, while creating awareness about its image of a great employer, following factors are considered:

The message needs to emphasize that Enterprise is a great place to work.

The niche audience for the above message needs to be addressed, i.e.; school leavers, graduates, job seekers

The best communication channels need to be decided, such as, Enterprise's Come Alive recruitment website, careers fair.

Clear instructions to be provided with a multi-channel approach, to reduce communication barriers.

***Internal communication:*** The main objective of the internal communication is to inform the employees about the company's values and culture. Doing so, Enterprise uses a variety of communication methods. For example, induction events (onboarding program), company meetings, posters (visual reminders of values), the company website and its intranet are used for such purpose.

Apart from the above, Enterprise has developed a new intranet system called 'The Hub'. The Hub enables employees to provide their input at Enterprise's locations across Western Europe and North America. The Hub helps in conveying company news and information easily to employees. This also resulted into reduction in the number of announcement e-mails. Employees, with the help of The Hub, share the ideas through discussions, and, can collaborate on projects in groups much easily.

### **Human Resource Management: Policies and practices**

In the following section, some of the major HRM policies and practices, which have been instrumental in making Enterprise a great place to work for, have been described.

#### **Recruitment and selection**

Enterprise has a dedicated recruitment website 'Come Alive'. It elaborates the company culture, various awards won by the company, company's employee-friendly policies, and so on. Other communication channels include Facebook, Twitter and LinkedIn sites, are also used, to advertise present employment opportunities.

The graduate recruitment program involves mainly oral communication. Campus brand managers (discussed earlier in the internship section) promote the company to staff and students at their university. The company also participates in career fairs. Additionally, leaflets and posters are distributed to create brand awareness.

The induction initiative is called 'onboarding' program. New incumbents receive a personal congratulatory welcome letter from the Managing Director. Parents and partners also receive letter from the company for their child or spouse's success (<http://businesscasestudies.co.uk/enterprise-rent-a-car/communication-strategies-to-engage-a-variety-of-stakeholders/internal-communications.html#axzz43bMKlulz>).

### **Reward and benefits**

Employees, working in Enterprise Holdings, enjoy several reward and benefits offered by the company. They are listed below (<https://go.enterpriseholdings.com/our-company/rewards-and-benefits>):

The company, based on the Health and Welfare Benefit Plan rules, extends various benefits to the employees. These benefits include: medical, prescription drug, vision, dental, tobacco cessation program, employee assistance program, long term disability, life insurance, accidental death and disbursement, flexible spending accounts, and health savings accounts

Full time and part time employees enjoy additional benefits and rewards, such as, adaptation assistance (full time employees only), employee discounts, employee referral reward, service award program, and, vehicle rental and purchase discounts

The company also offers paid time off to its employees, such as, holidays (Full-time only), Vacation (Full-time only), Choice Time/ Personal Days (Full-time and Part-time), Short-Term Disability (Full-time only), Paid Leaves - Maternity, Adoption, Paternity (Full-time and Part-time)

Financial benefits, such as, Retirement savings plan (for example, 401 K) and profit sharing, is also offered to both the full-time and part-time employees.



## **Training and development and career management**

Enterprise Holdings commits itself towards the career growth of its employees. Employees who wish to improve their skills and wish to advance their career in the company, are provided with training and development opportunities. Employees also receive performance-based rewards.

A range of training techniques, ranging from formal classroom training to the on-the-job training and mentorship opportunities are, provided (<https://go.enterpriseholdings.com/our-company/training-and-development/>).

### **Student internship**

Enterprise has earned a reputation of being a great workplace for the beginners. A wide range of initiatives have been adopted by the company to accommodate such young population. Some of such initiatives are stated below (<https://go.enterpriseholdings.com/students/internships/>):

**Enterprise Management Internship Program** - This is a full-time, paid internship. Here, the interns learn hands-on, how to deal with customers. They learn to develop marketing strategies and practice building business-to-business relationships. The interns also have the opportunities to compete for scholarships.

**Enterprise CarShare Brand Ambassador Internship** - This is a paid, part-time internship opportunity. The students get a unique opportunity to gain real-life marketing experience through this program. As a student, an intern may act as the brand ambassador of the company by spreading the word about Enterprise CarShare, company's membership-based transportation solution in his/her campus. This helps the company to create awareness and increase customer base. Students are given specific performance goals and get opportunity for scholarship project at the end of the semester.

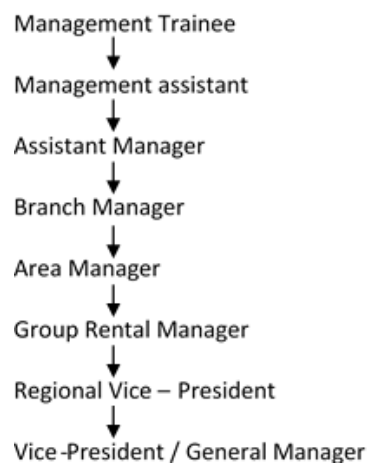
**Accounting internship** - Here, the interns are trained with basic accounting principles and procedures to help them run a successful

business. This is a paid internship. During the internship, the interns are asked to assist in preparing and analyzing the financial statements for rental branches and other departments. The interns also get unique exposure to the Business Management Program, where they get valuable guidance to become Accounting and Finance Business Manager of their own financial operation. Scholarship opportunities are also available.

### Entry-level professionals

Enterprise encourages a well-thought out career enhancement program. Many of the top leaders, including the present CEO Pamela Nicholson, started their career in the company as a management trainee. Several responsibilities, such as customer service, sales and marketing, Finance, and, Operations , are included in the role of an entry-level professional. The work starts close to home at one of the company's neighborhood locations, where the new comers are needed to build relationships with co-workers, customers and mentors. This makes the employees skilled to manage big business, such as, multimillion-dollar neighborhood branch or airport location (<https://go.enterpriseholdings.com/students/entry-level-professionals/>).

In the Enterprise, the career path of an entry-level professional typically follow the path as below:



### **Employee motivation strategies**

It is absolutely imperative for a company, such as Enterprise, to keep the customers satisfied. To find out the customer satisfaction level, it administers a customer satisfaction survey - the Enterprise Service Quality index (ESQi). In this survey, the customers need to answer whether they were completely satisfied with their rental experience at Enterprise, and, whether given the opportunity to return to Enterprise, would they do that (<http://businesscasestudies.co.uk/enterprise-rent-a-car/motivation-in-action/introduction.html> #axzz42NUfIt6).

Enterprise accepts that, to maintain the high level of customer satisfaction, it needs motivated employees, who will ensure the level of service quality of the company. To maintain the motivation level of employees, therefore, Enterprise adopts several strategies. For example, Enterprise managers are expected to develop good relationships with their staff; provide the right materials, equipment and information; encourage employees to identify personal development targets; and, recognize and reward good performance.

Enterprise managers are provided with in-depth training, which helps them to nurture a culture of customer care through motivated people. During training, managers learn to fathom the motivation culture of their branch by checking on certain criteria, such as, whether the phone calls are answered even before the working day starts; whether employees regularly attend social work functions together, and so on.

### **Performance feedback**

Enterprise has a system called 'The Vote'. It allows the employees to assess own and other's performance. All employees in rental branches rank everyone in their team, including themselves, in terms of their customer service efforts, with explanations for the rankings given. After this, employees are provided with the performance feedback, based on the same. The names of the best performer and most

improved employee are communicated to all employees in the region. 'The Vote' helps in involving everyone in suggesting improvements for others. Here, only constructive feedback is allowed. Progress in the improvement areas are provided with the employees regularly. And most importantly, improvement is valued as much as overall performance (<http://businesscasestudies.co.uk/enterprise-rent-a-car/motivation-in-action/motivating-people-in-the-workplace.html#axzz44pJwLzwf>).

### **Concluding remarks**

An efficient company, such as Enterprise, is built and around motivated and energetic employees who are loyal and ready to add value to the company to increase the brand name of the company. This made possible because of a strong and well-framed HR policy framework put into practice, and, thereby creating a motivating environment in the organization.

The success factor for the company revolves around the people factor as driver for growth and sustenance. Strong HR practices, operating procedures, and, effective customer service orientation has enabled Enterprise to reach a commanding position as a car rental company globally. Thus, it can be concluded that the true differentiator in business growth and success lies in careful nurturance of human resource management and sound business policies and practices which translate into steady growth and value-based sustenance of a business unit.

### **Authors' note**

This case can be used in the classroom for generating discussions among business students on the following themes:

- The current HR policies of the firm and its implication for attracting and retaining talent in the company as a futuristic strategy

- Strategic value of sound HR practices and its implication for business growth and sustainability of the organization

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