

Is your parking facility achieving its potential?

How to get the most out of your parking lot operations

Parking lots can be significant revenue generators for asset managers, thanks to their high margins. Yet, in many cases, they're a building feature that may be viewed as a low priority that can be costly in the long run.

After all, while well-managed parking lots can produce additional revenue seemingly effortlessly, ill-managed facilities are a different story. Whether your operations are outsourced to a third party or managed internally, without proper controls in place, you're exposing yourself to significant risks and bottom line leakage.

Detecting fraud

Risks from serious violations—such as stealing of cash, sideline businesses, under-reporting the fees collected or other fraudulent activities—are probably the most damaging consequences. Incomplete accounting records are also a challenge. These infractions can result in severe revenue slippage. Two particular categories of fraudulent activity have proven the most common:

1. Customer fraud—If you're not directly overseeing your operations to ensure all ticket and payment machines and systems are in proper order, your business can be susceptible to such fraudulent acts as the passing back of parking tickets, lost ticket scams, or carpooling long-term rentals.
2. Internal manager fraud—Employees with opportunity in an environment where controls are lacking can represent a significant area of risk, particularly if they begin to engage in misconduct such as lifting gates so customers can leave without paying.

Aside from fraudulent activity, there are many other, less obvious risks to consider. For instance, regardless of who is managing your parking operations, improper accounting practices, lot maintenance and poor customer experience can cost asset managers money down the road.

Putting proper controls in place

To protect your parking lot operations and ensure maximum revenue and performance, it's important to regularly evaluate the design and operating effectiveness of existing controls—most notably in areas of parking usage, transaction recording, billing and collection.

Even the best-run parking facilities offer opportunities to strengthen these areas and, as a result, increase revenue. As time progresses, you may want to consider

- improving access card activation and cancellation processes,
- connecting license plates to tickets,
- implementing electronic verification of vouchers before accepting them, and/or
- ensuring activity transparency.



Monitoring and reporting

It's also essential to have proper metrics and reporting systems in place. And in most third-party agreements, you as the owner have the right to review the books and records. Just exercising this clause can act as a preventative control. When implemented correctly, these controls make it much easier to clearly identify such factors as your parking space utilization rate, revenue per parking space and maximum tolerable downtime for gate arms and/or payment stations.

Find out more

You deserve to get the most out of your parking facilities and one sure-fire way of achieving this is to have them professionally assessed. Our Parking Lot Controls/Fraud Review team knows what to look for to help you make sure your parking lot is running as it should and generating the income it's capable of. Contact us today to learn more about how we can help your business.

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