



ROADSIDE ASSISTANCE BUSINESS BLUEPRINT

**HOW TO MAKE WORKING FOR
THE INSURANCE COMPANIES
WORK FOR YOU**

Don G. Archer

How to Make Working for The Insurance Companies Work for You

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By Don G. Archer

www.thetowacademy.com

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In the pages that follow the Author discusses the various business models associated with the towing industry, and, the customers, and vendors who operate in the same space. In doing so, there will be reference made to the incomes that other tow company owners have experienced, and what one might expect to derive from providing similar service to similar customers and vendors. However, this does not mean, in any way, that either the Author or The Tow Academy LLC is promising you that you can expect to make the same amounts of money discussed herein.

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competition, governmental regulations, politics, and the demand for services in the area you choose to serve.

What's contained within the covers of this book are not claims of income, just examples of what the Author, and others have experienced throughout their involvement in the towing industry.

Disclaimer

We're going to be getting right to the meat of what you are looking for here in just a minute, but before we do, we need to include specific statements to make our attorneys happy.

The information provided here is designed to provide you with helpful information regarding starting and running your own towing or roadside assistance business.

What's contained here is presented as informational only. The publisher makes no claims as to the amount of money you can make. We are not in any way, shape, or form promising that you will make money. As with all of life, what you get out of something is entirely dependent upon the effort you put into it.

Secondly, the requirements regarding starting a roadside assistance business in the numerous cities, states, and counties, throughout the United States, will vary. Laws and ordinances will change, nepotism, politics, and favoritism, will still be factors in many of the areas where you live. It is your responsibility to be up-to-date with all of these changes and to make in-roads where you can. We cannot do this for you.

As well, the various insurance requirements and guidelines, concerning the companies we discuss in this guide may change or become slightly altered over time. Compensation methods and standard practices may change. It is up to you to determine if working with one or more of these companies is in your best interest.

We do not have information regarding the breadth of your knowledge concerning your record keeping abilities, disciplines, or the amount of money in your bank

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account, and as such will not be held accountable for any potentially harmful decisions you make.

With regards to setting up your business correctly, please consult with an accountant or an attorney. We are not accountants or attorneys, so check with yours before you get started in this or any other business. We want you to be successful, so do all that you can to ensure you are getting off on the right foot.

The last thing we want to mention is that this is an informational guide. It is meant to give you information about the roadside assistance business, that's it. This guide is an informational book, designed to give you exactly what you are looking for. Customer acquisition assistance outside providing applications to more than 30 insurance companies can be found by visiting www.thetowacademy.com.

If you are committed to growing your business and understand that an investment in marketing is necessary, we'll be glad to talk to you and show you how we can help.

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Introduction

Welcome to the exciting world of roadside assistance. It is a remarkable time to start a towing or roadside assistance business in the United States, and one of the quickest ways to break into this business is to partner with some of the top insurance companies around.

Each day in the US there are 100's of thousands of calls for roadside assistance, and the demand is ever increasing. Before the advent of the smartphone, those in need of roadside assistance might have relied on a friend or relative with a tow rope or would ask their local repair shop to send out a tow truck; now it's much easier to pick up the phone and call.

More than 97% of the population has a mobile phone, and because of this, the floodgates have opened wide. Modern advances have once again created an abundant opportunity for motivated individuals just like you to take part in the growing world of roadside assistance.

Until now, learning how to get involved in the highly lucrative towing and roadside assistance industry has been kept under wraps. Concealed by those in the know, towing companies, fearful of losing their stranglehold on profits, have historically held their cards close to their chests. But now you hold in your hands the blueprint for breaking into this highly rewarding business.

So, grab a cup of coffee, and get ready to dive into the nuts and bolts of this opportunity and learn how you can ride the wave to prosperity, as many before you have already done. Partnering with insurance companies is the easiest way get into the roadside assistance business, and you have in your hands the most comprehensive guide available, a template that will show you how to create your very own roadside assistance business.

What You Will Learn

Included in this book, you'll find links to online applications to more than 30 *Roadside Assistance Insurance Companies*. You'll learn how to get signed up as a roadside assistance provider for these companies, along with all the requirements, including licensing and the types of insurance you'll need to qualify.

After reading this book, you will be on the inside track. You'll know exactly how this business works and have an insider's view on how to properly conduct yourself so that your business can thrive and prosper within the various companies that serve this exciting industry.

We also show you what landmines exist and provide specific guidelines that will show you how to avoid making costly mistakes that can decrease the frequency of calls received and even cause your business to be black-balled.

But most importantly, we teach you how to leverage the customers, the insurance companies send your way, to grow your business. We show you how to use the insurance companies as a steppingstone, and move in the direction of higher-margin calls, and to build a highly profitable business that no longer relies, solely on the revenue the insurance companies provide.

One last note before we continue, we want to impress upon you something that will serve you well if you adhere to it properly. When it comes to partnering with insurance companies, one of the most important principles we want to pass on, besides ensuring your business always maintains a healthy percentage of profit, is to consistently provide the insurance company's customers the highest quality service possible. Doing so will aid in safeguarding your position as one of the top providers, this can help to ensure that you are called upon again and again to assist their customers. And more importantly, it will instill in you a sense of service which will help you grow your business along the way.

Good luck with your new business. Now let's get started.

Why This Roadside Assistance Opportunity Exists

One of the ways insurance companies retain valued customers is by offering them roadside assistance. The fees their customers are charged for this service will vary from company to company, but the average is around \$13-dollars per month. The numbers vary, but the average motorist will use roadside assistance once every 5 to 7 years.

Here's how it works; when one of the insurance company's customers (their insured) finds themselves stranded roadside, or at home, and needs the help the insurance company has promised them, these companies have the obligation of providing this service promptly. The only problem is, most of these companies don't own any tow trucks of their own. And, they do not have thousands upon thousands of roadside assistance *employees* stationed around the country.

Due to the enormous expense involved, including payroll, worker's compensation, truck liability insurance, and all the maintenance and logistics issues that would go into caring for such a large fleet, most of these companies choose another route. Rather than deciding to hire a sufficient number of employees to do all this work, most of the insurance companies prefer not to get into the operational side of the roadside assistance business.

Instead, most of the insurance companies choose to work with local roadside assistance providers just like you. And because there is a massive ever-increasing demand for roadside assistance across the nation, they're always on the lookout for help. That's where you come in.

Now that more and more motorists are becoming increasingly aware of the roadside assistance that they're already paying for, they are using it more often, and for things they might have done for themselves before. Like walking a block or two for a couple gallons of gas, or changing a flat tire. This is good news for anyone interested in starting a roadside assistance business.

Increased demand has created more opportunity.

How the Roadside Assistance Business Works

So that you have a better idea of what's going on, we're going to first provide you with some of the terminology used. After you have a basic grasp of the vocabulary, we'll then discuss the role, each party involved plays. We'll discuss the motor club call receiver's role, the dispatcher's role,

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the service provider's role (you), and the field rep's role. Knowing how the roadside assistance business works will give you a better understanding of what you can expect when partnering with the insurance companies.

We'll then talk about the requirements for getting signed up, with regard to what the insurance companies want, as well as local requirements with your cities and states.

From there we talk about the necessary steps for making your roadside assistance business rock. How to leverage the customers the insurance companies send you to create and build relationships, get reviews, and get large numbers of higher-margin, quality cash-calls.

Then you'll learn a quick and easy way of determining your average cost per tow. If you've structured your business properly and priced your services accordingly, knowing your average cost per tow will give you peace of mind, knowing you're always making a profit.

This guide is stuffed full of information you need to grow a successful roadside assistance business, but if you just want to skip ahead to "Getting Signed Up," you can, but you owe it to yourself, and your business to come back and read this entire guide. We suggest that you keep it with you as you work, print it out, or open it in your smartphone. Refer to it until you have your feet under you.

One last thing before you take off, signing up with the insurance companies is only the first step to growing your business, don't make the mistake of not taking any further steps. Life is too short to spin your wheels. Use this guide to grow and go on to build your business into something you would be happy to pass down to your children.

Terminology

First, you will need to learn a little industry jargon, so you can adequately communicate with the insurance companies. When you understand what it is the insurance companies are looking for in a roadside assistance partner, and are better able to speak their language, to know the lexicon, you'll be on the fast-track to providing your services to more of their customers. Also, understanding this terminology will give you a leg up and help you to avoid costly missteps.

Motor Clubs: We in the roadside assistance industry call the companies whose job it is to find service providers to provide roadside assistance to an insurance company's customers "motor clubs." When you see the term, "motor clubs," throughout this book it will be synonymous with the term; "insurance companies."

Service Provider: Motor clubs call all roadside assistance companies and their employees "service providers."

Member or Customer: Most of the clubs refer to the person needing roadside assistance services as "the member," or "the customer."

Contracted Provider: A contracted service provider is one who has filled out a rate sheet (see below) and has agreed to provide towing or roadside assistance to a motor club's members.

Non-Contracted Provider: A non-contracted service provider is one who has a non-contractual obligation to provide service at a specified rate. Rates are on a call-by-call basis.

Out-of-Network: When a motor club dispatcher cannot find a contracted provider in the area of a motorist who needs assistance, they will search out of their network for a non-contracted provider, usually online.

In-Network: A service provider who is referred to as an "in-network provider," is one who is a contracted service provider. Motor club dispatchers consult their list of in-network providers first when attempting to find service for their members.

Service Rates: What service providers charge for a tow or a roadside assistance service call, including a hook-up fee, en route mileage, tow mileage, and other miscellaneous items.

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Service Provider Number: As a contracted service provider, you will have a service provider number, this is an identification number. The clubs use this number to pay you, and it is sometimes used to log into the provider portal.

Provider Portal: If you are a contracted provider with an insurance company you will need to login to their company's provider portal to submit invoices for payment.

Rate Sheet: A contracted provider's service rates are submitted to the motor club on what's called a rate sheet. You'll be required to include all the services you provide as well as what you expect the insurance company to pay you for these services. Quick note: Most of these companies will want to negotiate with you on these rates.

Free Mileage: If contracted, most of the motor clubs will require you to give a recommended number of free miles for both en route miles and miles towed.

Coverage Limit: The coverage limit is the maximum amount the customer is covered for the services provided. If you are a contracted provider, you need to know exactly how much money the motor club is going to pay, and how much the motorist will be expected to pay.

Overages or Over-Mileage: Also known as an out-of-pocket expense is an amount the customer is required to pay. If the services provided exceed the motorist's coverage limit, you must collect overages from them. These out-of-pocket expenses are an additional service fee at a pre-determined and agreed-upon rate.

Service Request: Motor clubs use the term service request to describe the precise services the customer is requesting. Once they understand the motorist's needs, they then pass on the service request to the service provider.

Additional Service Requests: When a motorist asks for additional service, or a service provider determines that, in order to complete the initial service request, additional services are required, it is called an "Additional Service Request." These will need to be authorized by the motor club dispatcher, prior to providing the service. Note: Asking for additional service requests too often can raise a red flag, which may result in the service provider receiving fewer calls.

Service Type: The service type is the kind of service the motor club dispatcher has determined the motorist is requesting. Some of the clubs will use various terms to describe the services they

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provide. Some do not offer all of these, but for the most part, the services offered include, Towing, Flatbed Towing, Winching, Accident Towing, Recovery, Tire Change, Bring Air, Gas Delivery, Fuel Delivery (diesel), Lockout Service, Battery Boost/Jump Start, Battery Service, Replace Battery, etc.

Service Area: The zip codes you will serve or radius from an address you are willing to provide roadside assistance services.

Purchase Order Number: If you are a contracted provider for a motor club, a purchase order, or PO number is provided when you accept the terms of the call. Without this number, you will find it very difficult to gather further information if the information provided wasn't wholly accurate. And without a purchase order, you will not get paid for the services you provide.

Primary or Primary Service Provider: Some motor clubs offer what's called a primary service provider agreement to towing companies. These agreements vary in scope but being primary, or PSP means that the towing company is the first one called for a given area. These areas can be zip codes, within the limits of a city, or even county-wide.

The Who's Who of Roadside Assistance

In this section, we're going to discuss all of the party's involved when a call for roadside assistance is made. Understanding this will give you a better idea of what's going on and what part you will play when you decide to climb onboard.

The Customer's Role

For various reasons, 100's of thousands of motorists, around the country find themselves needing the services of a roadside assistance company every day. Due to a breakdown, motor vehicle accident, or merely locking one's keys in the car, your services are sought after with increasing demand.

When these motorists need your services, they usually choose one of four methods to get it. One way is to use a smartphone and search Google for roadside assistance. Another might be to dial 911 and ask law enforcement to send help. And yet another might be to ask a trusted repair shop for a referral. Lastly, they might dial the 800 number on the back of their insurance card and ask for help. That's where you come in.

By the time you arrive at the customer's location, however, most of the time they're already highly inconvenienced. Motorists in this position are looking for a swift solution to their problem, and if you don't instill in them, during the initial greeting, the sense that you have everything under control, and that a solution will be soon at hand. You may be sowing the seeds of your demise.

Everyone has something going on. Maybe the motorist is already late for work, or on the way to pick up their kid from soccer practice, and now this?

When an unexpected breakdown occurs, it can put a hiccup on the rest of your day. A hiccup can cause even the most even-tempered person to experience a decrease in willpower, and lose it.

Your job is not just changing a tire, or towing a vehicle; your job is to grow your business, it is to remain high on the motor clubs' radar and to do that you must provide exemplary customer service. Being gruff and unsympathetic to the customer's situation, and refusing to instill in them the sense that you've got it all under control, can in some cases cause them to complain.

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Who will they complain to? Anyone who will listen.

An irate customer may call the motor club back and make statements about you that may or may not be true. Negative comments can result in your business being placed further down the list of service providers, or even being placed on a do-not-call list. The customer might also vent by leaving negative reviews online.

The simple solution to all of this is to treat the customer like you would want your wife or mother cared for, if in a similar situation.

Motor Club Call-Receiver's Role

When a stranded motorist calls the 800 number on the back of their insurance card for roadside assistance, many times, they'll speak with a person whose title is that of call-receiver.

The call-receiver's role is first to verify that the person on the other end of the line is indeed a customer and a member in good standing. They'll gather as much information as is necessary to do this, such as their name, account number, year, make, and model, of their car, including the VIN, and more.

Once the call-receiver has determined that this customer is a member in good standing, they'll then pass them onto the Motor Club Dispatcher.

Motor Club Dispatcher's Role

Once the call-receiver passes the motorist to the motor club dispatcher, in many cases, the same information will need to be verified once again. When the customer has been sufficiently vetted, the motor club dispatcher will then proceed to gather information about the specific service needs.

The motor club dispatcher will ask if the customer is in a safe location, what kind of issues they are experiencing with their car, and attempt to ascertain their exact location.

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After the motor club dispatcher has taken all the necessary information from the customer, their job now is to find a towing company in the area who can provide roadside assistance to their customer.

The motor club dispatcher will first attempt to obtain the services of a “Contracted Service Provider.”

Contacting a Contracted Provider

Depending upon the motor club involved and the agreements in place with local contracted roadside assistance service providers, once armed with the customer’s information, the motor club’s job now becomes to find the closest contracted provider. Sometimes the term used is “In Network.”

Contingent upon the motor club involved, the dispatcher may be motivated to do their job based on specific criteria which may seem counterintuitive. Motor clubs are in business to make money. And, due to competitive pressures, making money means that sometimes a customer must wait an extended period of time for service to arrive.

Subject to the dispatcher’s method of compensation for *their* time, they may spend precious time attempting to contact the cheapest, contracted service provider in or out of the area to do the job.

(This is mentioned here, not to disparage the dispatchers or the motor club companies for their policies, but so you can understand how the insurance companies choose who they work with. And to allow you to see why, at times, as a service provider you may arrive to find a customer irate for having waited so long.)

Once the dispatcher finds a contracted service provider, they will then relay the information necessary to do the job, and provide the provider with a Purchase Order. The information may come in the form of an email, text, or even a fax. If you are the contracted provider who receives the call, you must ascertain the exact amount of the customer's coverage limits. It is vitally important to ensure that what the dispatcher has told you is correct, and is as stated on the Purchase Order.

Contacting a Non-Contracted Provider

If the motor club dispatcher cannot find a service provider in-network to help the customer, they will then be forced to look outside their list of contracted providers, or search out-of-network. Some of the clubs utilize a list of previously contracted providers, but most will perform a search online. They'll query "towing service" or "roadside assistance," in whatever area their customer needs help.

If you choose not to contract with some or all of the clubs, ensure that you have a [commanding presence online](#). Get your business listed on Google's first page for the various search terms these motor club dispatchers are using.

When the motor club dispatcher is forced to look out-of-network for a service provider to do the work, they're still motivated to find someone who's willing to do it for the least amount of money possible. However, by the time they get around to this point, the customer will have been waiting for some time already. As each minute ticks by, the dispatcher becomes more and more desperate to secure a service provider to help.

If you are a non-contracted provider and are contacted by a motor club dispatcher to assist their customer, in many instances, regardless of the time factor, many will still attempt to haggle with you on rates. When discussing your fee, you must ensure that you have all of the information you need to do the job and that it is accurate. And you must have a phone number to contact the motor club in the instance the info provided is not correct.

Sometimes the customer may not know what the issue is, which means the motor club dispatcher may have received incorrect information and relayed it to you. For example, you may be dispatched to change a tire, and upon arrival at the customer's location, you learn that the tire isn't flat, that instead, it's a busted ball-joint. Other times the motorist may not know their location and be 10 miles further away, which may mean that you'll need to call back and get your service fee changed.

As a non-contracted provider accepting a call from a motor club, DO NOT take a Purchase Order as payment for services. You may still receive a Purchase Order for a non-contracted service call, but it should be used as a reference number only. A Purchase Order for payment is for

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contracted providers only. A non-contracted service provider should insist on a credit card for payment.

Information Needed to Provide Service

To provide towing or roadside assistance to a motor club's customer, you will need to ensure that you have all of the information necessary to do the job. Including:

- Customer location (address, street, and nearest cross-street)
- Vehicle Type (Year, Make, Model, Color)
- VIN (Vehicle Identification Number)
- Service Requested (Tire Change, Lockout, Tow, etc.)
- Customer Name
- Customer Phone Number
- Coverage Limit
- Purchase Order
- Motor Club Phone Number

Service Provider's Role

The roadside assistance company providing the service is called the “service provider.” Once the motor club dispatcher has given the service provider all the information necessary to complete the service request, here are the eight steps you need to follow to ensure everything goes off without a hitch.

1. Verify Coverage Limits

Before you provide roadside assistance services to the motor club's customer, you must precisely verify coverage limits to know how much money you will receive for doing the work.

Understanding what you will receive for the work done is an essential step. As a contracted provider with many of the clubs, the dispatcher may tell you that the money you receive will align with your agreed-upon rates. Of course, you should know your

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rates, but you also need to know the exact amount of money for which the customer is covered.

If the customer's coverage limit is \$100 and the services provided, per your agreed-upon rates, exceed that limit, you need have a plan for collecting the overage. Whether it's a credit card from the motor club, or the customer paying out of pocket, getting paid for these extras is of the utmost importance.

Sometimes the motor club dispatcher will tell you that they will adjust the amount of the purchase order, but you must be careful here. Whether by accident, or as a way to save the insurance company money, and possibly increase the dispatcher's quarterly bonus, mistakes can happen. Unless you get the adjustment in writing, with the dispatcher's name and employee number, there's a chance it will not materialize. To ensure you get paid what you're worth, either get a second purchase order or an updated original purchase order. And keep it for your records. This way there will be no disputing that you should get what you're owed. Be diligent here, because this is one of the stealth methods insurance companies make money. Watch the movie "Rainmaker" and you'll see what I mean.

2. Call the Customer

It is imperative that you make contact with the customer as soon as possible. Motorists, on average, need the services of a roadside assistance company only once every 5 to 7 years, and some have never had to call for roadside assistance before. Many will not understand the process. Calling the customer will give them a sense of calm, it will help them to relax a little, knowing that you are on the way.

Sometimes the motorist will not answer the phone when it's an unknown number, even when they are in need of roadside assistance. If this is the case, you must then call the motor club back and ask that they call the customer back, and inform them that service provider is trying to get in contact with them.

When speaking to the customer, your job is to reassure them that you will take care of everything. Calling for help, especially if you're a woman, can make you feel vulnerable. As a tow truck operator, you'll want to speak in a clear, intelligible manner, so that the customer knows that you are a professional. Do not speak down to them, or deride them

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for not knowing how to change a tire, or for getting stuck in the mud. Instead, extend every courtesy you would give to a mother or sister, if they were to find themselves in the same predicament.

3. Confirm Their Location

Although the motor club dispatcher will have already told you where the customer is, it is always wise to confirm their location. Since the motor club dispatcher, is most likely, not from the area, and there's the possibility that the customer may be from out of the city as well, the provided location information can be off.

Driving to the given location provided only to learn that the customer is some 20 miles in the other direction costs you valuable time and money. It's best when calling the customer to verify their location by asking about cross-streets, mile-markers, or landmarks.

The Google Map App has an excellent location-sharing feature that allows your customer to text you their location. To use this feature, instruct the customer to open the Google Map App on their phone and tap on the three horizontal lines in the top left corner. When the menu slides-in, instruct the customer to choose > Location Sharing, then tap the >Get Started button, then> Message. Provide them your number, and they can send you their location on the map.

4. Verify the Service Type

During the initial phone call to the customer, you'll want to verify the service type. Again, many times the motor club dispatcher may have incorrect information, and since they don't work directly with automobiles, they may not have the capacity to ferret out what's going on.

Among other reasons, verifying the service type will help you to determine what kind of truck to send to the customer's location.

For example, if you are sent to a customer's home to provide a jump start, but upon arriving learned that the car has plenty of battery power and that the problem lies someplace else, this means the customer will need a tow. If you have sent a service

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vehicle to the customer's home, rather than a tow truck, this is a very inefficient way to do business, and it wastes the customer's time.

5. Make Adjustments to the P.O. if Necessary

If, after arriving at the customer's location you learn that the service type will be different than initially requested, you'll need to call the motor club back to have adjustments made to the purchase order. Purchase order adjustments must occur before providing services because the customer may or may not be 100% covered for this new service. Examples of compensable adjustments to the purchase order include an increase in en route mileage or miles towed, a tow requiring dollies, or even wait-time. Not all motor clubs will pay for every request, so again, ensure that you call ahead of time before providing these extras.

6. Collecting Overages

If the customer is not 100% covered for the services requested you will need to inform them of the amount of money they will be required to pay. So that no misunderstandings occur, this should be done before loading the vehicle or providing the requested roadside assistance.

Best practices suggest avoiding checks, and to only accept cash or credit card for these overages. There are many reputable [credit card processing companies](#) that make it simple to receive a credit card payments in the field, using your just phone.

7. Providing Services

Once you know what services are required, and are assure that you will receive fair compensation for those services, the next step is to get to work providing the service.

The scope of this book is not intended to teach you the operational side of towing and roadside assistance. This book was written to show you how to get signed up with the insurance companies and make tons of money working for them. It was also written to help you work through the various challenges that exist when partnering with these companies.

How to Make Working for The Insurance Companies Work for You

The extent of the information provided here, with regards to operations, is aimed at providing you a few scenarios you may encounter and how to avoid stepping on the landmines that exist. For more information and examples of towing related issues go to [The Tow Academy](#), there you'll find hundreds of articles geared directly toward towing and roadside assistance providers.

Roadside Assistance

The roadside assistance services you'll be required to provide include, tire changes, lockouts, jump starts/battery service, and gas or diesel delivery. When providing these services, you will want to pay close attention to every detail; this will aid in avoiding damages, and in assuring that the customer is happy with the services you provide.

Best practices suggest that, if you see damages to an area of a vehicle you'll be working on or around, take pictures. For example, when providing lockout service, before your arrival, the customer may have made several attempts to retrieve the keys from the vehicle himself. Depending upon how these attempts were made, and the type of tool used, these attempts may result in damages to the vehicle's paint, interior, or even door hinges. Taking photos before beginning the work can save you an insurance claim down the road.

Towing

The towing services you'll be required to provide include, wheel-lift towing, flatbed towing, winching services, and sometimes accident recovery. And depending on the reason for the tow, a vehicle not coming out of park, for example, you will also be required to use dollies.

Just as with roadside assistance services, you'll want to protect yourself from false accusations of damages. Taking pictures before you touch the vehicle is an excellent way to avoid any misunderstandings.

Where your truck and equipment come into contact with the customer's car are significant areas of concern. When securing a vehicle to a flatbed, for example, you'll want to assure you do not attach your straps or chains in a manner that may cause damages. This [site](#) will provide you with vehicle-specific recommendations on this topic.

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Shop Etiquette

When towing a vehicle to a repair shop, you will want to employ a generous amount of shop etiquette. Blocking driveways and shop bay doors is never a good idea. And interrupting service writers who are on the phone, or dealing with customers face to face, should always be avoided.

Even though you are working for the motor club, and the customer whose vehicle you are towing, practicing patience at repair shops shows that you respect the shops and the work they do. And it makes good business sense.

One of the ways we teach to leverage working for motor clubs is to develop and foster relationships with repair shops. When shop owners see you as an emotionally mature individual, one who waits until the shop owner is finished speaking with a customer or one of their employees, before asking for attention, you will become a part of the process, not a hindrance to it.

When you provide the service-writer or shop manager with a written ticket that contains the year, make, model, and VIN, as well as the vehicle owner's name, this gives them the ability to log the arrival of the vehicle into their system quickly.

Rather than dropping the vehicle in an open slot, when you ask if there's a particular spot set aside for the car, it gives shop owners and managers a sense that you care.

Doing all of this out of a genuine desire to help will eventually serve you by being viewed as a good guy. So that down the road, when one of their loyal customers needs a car towed to the shop, they'll call on you to do the work.

Documentation

Of significant concern as a contracted provider, but also important as a non-contracted provider, is the gathering and documentation of specific information.

In most instances, you will need to verify that the vehicle you are servicing is indeed the vehicle that is covered for service. To do this, you'll need to document the year, make, model, color, VIN, and the mileage on the odometer.

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You will also need to document the miles to the scene, the pickup address, and drop-off location, any extra time or work done while on-scene, (if compensable), and the miles towed. Last but not least, you'll want to get the customer's information, their name and number, and any comments they may have.

Best practices suggest using a sequentially numbered, 3-part carbonless invoice book to collect this information, and putting the corresponding purchase order on each invoice. Collecting the data needed this way will ensure that you have all the information you need when it's time to submit the invoice for payment.

Another good reason to use a 3-part invoice book is it allows you to give a copy to the repair shop manager when dropping the car. As stated earlier, the less complicated you can make the shop manager's job the more valuable you'll become. You can find an example of a 3-part invoice book [here](#).

Submitting Invoices

If you are a contracted provider, after completing the service you'll then need to get paid the money you are owed. Most of the motor clubs require you to submit your purchase orders online through their proprietary provider portal. You should have login credentials for each of these. Keep them in a safe place so that you'll always know your login. Using Google's Chrome as your browser, and then allowing Google to remember your login and password will make logging in a breeze. If you are looking for another option outside of Chrome here's an [article](#) that rates the various Password Manager Platforms available.

To be assured of prompt payment, you will need to follow the guidelines for submission for each of these companies. Please note, when you receive payment for these invoices, most of the clubs will fail to put your invoice number with the corresponding purchase order. To confirm each invoice is paid in full, best practices suggest matching each purchase order paid to the invoice that was submitted. If the dollars do not match-up, you'll then need to contact provider support for a resolution.

8. Safety

More and more often, tow truck operators are being hit and killed by passing motorists. Regardless of the [move over laws](#) that exist throughout the country, when responding to motorists on busy highways, tow truck operators are risking their lives every day.

As a towing and roadside assistance provider, your first responsibility when providing assistance is to come home to your family, safe and unharmed, every night. Arriving home safe means not taking any unnecessary risks and always being aware of oncoming traffic. It may also mean making the decision not to change a flat tire on a busy highway. Rather, loading the vehicle and towing it to a safe location first.

Your next responsibility is to assure the safety of the customer. As mentioned earlier, most customers only use the roadside assistance services once every 3 to 5 years. They may not be as hyper-aware as you, of the risks associated with being roadside. So, when loading a vehicle roadside, politely insist that the customer waits for you inside your truck, or at a minimum on the passenger side of your vehicle. Explain to them, that it's for their protection. Of course, this will not eliminate the risk of a collision, but it can certainly help your customer avoid being injured if one occurs.

Motor Club Service Rep's Role

For the most part, every major motor club's service areas are separated into regions of the country. And the way it is divided varies from club to club. An example would be, Western Region, Mountain Region, Central Region, and Eastern Region. Each region's contracted providers have what's called a "Service Rep," or often referred to as a "Field Rep."

The service rep's job is to ensure that the motor club's customers, in that region, are receiving excellent customer service.

If you are doing everything you are supposed to do, depending on the club, you may have minimal contact with this person. Some clubs require service reps to make regular phone calls, and others prefer in-person visits, while still others will never find it necessary to contact you at all.

When mistakes happen or when they need something, these are the times most service reps will pick up the phone. Included reasons for calling are, a damage claim made by a customer, a request to provide roadside assistance outside your designated area or a discussion over your service rates.

You will want to treat your service rep with a high degree of respect. He or she has the power to provide you with more calls and zip codes, but this person also has the ability to take those things away.

Because your service rep wields this kind of power over you is not to say that you should lay down for this person. While the balance of power remains more heavily weighted on his side, he still needs YOU. You are the one who is providing the excellent services the club's customers are receiving.

Damage Claims

With regards to this balance of power, one area of concern is damage claims. If a claim for damages comes in, don't automatically assume that, because you want to maintain a good relationship with the motor club, you are going to be required to assume responsibility.

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When claims of damages arise is where having a good relationship with your insurance agent comes in handy. Of course, if you know you are responsible for the damages, step up and admit it. But if you firmly believe the damages are not your responsibility or due to your negligence, or have proof that it was prior damage, then by all means, contact your insurance agent for help. This one stealth move can save you tons of money in damages, and insurance rate hikes.

If your insurance agent is worth their salt and has worked with other towing companies, then there's a good chance that they will have seen this type of damage claim before. There may be extenuating circumstances that you and your service rep hadn't considered. Something that only an experienced insurance agent, who's insured 100's of other towing companies, could know.

Request for Additional Services

One reason you might hear from your Service Rep may be due to an unusual number of "Requests for Additional Services," from your company.

As a contracted provider, there will be times, while providing roadside assistance or towing services, that the customer may require more than just a jump start, but may also require a tire change as well. When this happens, your job is to then call into the motor club dispatcher for authorization for this extra service, to ensure you are properly compensated.

These insurance companies have statisticians, software, and algorithms which allows them to determine how often these extra services will be requested. And these numbers are calculated into spreadsheets that allow them to continue to profit. If your "Requests for Additional Services," of any type, exceeds their numbers a red flag is raised. If a red flag is raised, at the very least, you'll receive a phone call. And if the issue isn't remedied, you'll be put on the Do Not Call list.

You can avoid being put on the Do Not Call List by only requesting compensation for necessary additional services.

The last piece of advice, with regards to maintaining a relationship with your service rep, is this. Regardless of the situation, always keep your cool. Losing your temper and saying something in the moment can harm your business in the long run. Cultivating as close a relationship as is

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possible is the best way to go. But remember compromise is a two-way street, if you are asked to capitulate to specific requests, an excellent service rep should want to do the same when you ask.

Requirements for Providing Roadside Assistance

Motor Club Requirements

Insurance Requirements for Towing Companies

The requirements for becoming a roadside assistance provider to the insurance companies will vary from club to club, as can the limits of liability for each type of insurance they require. For the most part though, to be a contracted towing company, all of the clubs will need your business to have at a minimum the coverages and limits listed below.

- **Commercial General Liability:** \$300,000/occurrence minimum
- **Commercial Auto Liability:** \$300,000/occurrence minimum
- **Garage Keepers/On Hook/Cargo:** \$100,000/occurrence minimum
- **Workers Compensation for employees:** Where state law requires it

Insurance Requirements for Roadside Assistance Only Companies

To be a contracted roadside assistance provider to the insurance companies, you will need to obtain all of the types insurance and coverage limits necessary to be a towing provider, except for Garage Keepers, On Hook, and Cargo. Since you will not be towing vehicles, or taking custody and storing them, you are not required to have these types of coverages.

- **Commercial General Liability:** \$300,000/occurrence minimum
- **Commercial Auto Liability:** \$300,000/occurrence minimum
- **Workers Compensation for Employees:** Where state law requires it

All of the clubs you contract with will require you to provide them a Certificate of Insurance (COI) before being accepted as a service provider. And, an important thing to note, so that the stream of calls you receive is not interrupted, you'll need to continually ensure that the COI each club has on file for your business is up to date. Your insurance agent should be able to help you with this.

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Tax Information Required

As a contracted provider or non-contracted provider, all of the clubs will send you a form 1099 at the end of the year. Which means you are responsible for paying taxes on the money you earned. They will not withhold any funds from your checks for state or federal income taxes, or payroll expenses, as you are not one of their employees, instead you are a contractor. You will be 100% responsible for all payroll and income taxes.

The clubs will require that you fill out form W-9, and provide them either your Taxpayer Identification Number, (TIN) your Employer Identification Number (EIN), or your Social Security Number (SSN).

Driver Information Required

Most of the motor clubs will require that your drivers have a good driving record and a clean criminal history. Some, like AAA, will even need you to perform annual background checks, to ensure nothing has changed.

Even if you are a single operator, you may still be required to take a drug test, and sign a consent form so that the motor club can look into your criminal history. The insurance companies hold their customers' safety in high regard.

Training & Experience

Most of the clubs do not require you to have any training or experience to get started. Most only expect what we've already mentioned above and at least one tow truck, or if you're doing roadside assistance alone, you'll need some form of transportation.

Some of the clubs will provide training and support for their service providers. For example, AAA requires their Primary Service Providers to send their drivers to classes every couple of months. These classes usually consist of customer service training, and providing light services, like battery service, and lockouts.

What will disqualify you from being accepted as a service provider?

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The requirements vary from club to club, but for the most part, they're looking to avoid bringing on service providers who have felony convictions for various offenses. When you work with these clubs you must be someone who can be trusted. You will be serving people and their families, and the insurance companies can't afford to take risks.

Having a violent felony conviction, or a sexual assault on your record can disqualify you from becoming a service provider. That said, don't give up until you know for a fact that they won't accept you. Even if you do have a felony on your record, you still may qualify. Depending on how many years ago you were convicted, how long since the conviction's discharge, and the type of offense you were convicted of, some of the clubs' may agree to take you on.

City, County & State Requirements

Licensing & Certifications

Requirements for licensing will vary from state to state and city to city. And the licensing requirements can be many. Depending upon where you intend to set up your business, you may need to obtain a business license for the particular type of business you are in, either towing or roadside assistance, as well as a license for each of your trucks and drivers. You may also be required to obtain specific permits and/or certifications to operate.

Proof of Insurance & Business Type

Many States, and some of the various Cities, and Counties throughout the US will require a minimum level of insurance for you to become registered as a towing company or roadside assistance provider. These insurance levels may be higher or lower than what many of the motor clubs require. Again, you will be required to provide proof of this insurance in the form of a Certificate of Insurance (COI)

You also may be required to provide documentation to support that your business is a legal entity. You can form your company as a Sole Proprietor, Partnership, LLC, LLP, or a Corporation. To learn more about business formation go [here](#).

Driver Requirements

The license, permits, and certifications, your drivers need, will be dependent on the trucks used and the services provided. For example, in the state of Missouri, a light-duty tow truck operator is only required to obtain a Class E, Chauffeur's License, whereas a heavy-duty tow truck operator must obtain a Class A, CDL. In the state of California, a light-duty tow truck operator must obtain a Class B Commercial License, and heavy-duty operators must obtain a class A, Commercial License.

City Requirements

Registering your roadside assistance business with the city in which you operate may consist of obtaining a business license and permits, specific to the business type. You will want to ensure

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that your business is in strict compliance with all city ordinances. For example, if you work out of your home, in some areas you are not allowed to park commercial vehicles on residential streets overnight. You can learn what's required by visiting or calling your local City Hall.

City Police

Many local police departments require you to register your towing or roadside assistance business with them. They may also need specific certifications, licenses, and permits.

It makes good business sense to get in touch with your local police department, regardless of the requirement for registering. Every day police officers come into contact with the very people you aim to serve, and if these officers know like and trust you, there's a chance they'll call you to assist.

County Requirements

Depending upon the structure of your local government, you may need to register your business with the county in which you operate. Again, here you may need to have a specific business license or permit, and you may also be required to have specific certifications. Sometimes these certifications overlap, meaning both the city and the county need the same certifications. And, sometimes there's no requirement to register with your county at all. A visit to the courthouse may be all it takes to know what's required, here you can also learn about any county statutes or ordinances that govern towing or roadside assistance.

County Sheriff

As with the city police, you may be required to register your towing or roadside assistance business with the County Sheriff, as well as obtain county-specific licenses, permits, and certifications. And, as with the City Police, when the Sheriff and his deputies know who you are, and grow to know, like, and trust you, there's always a chance that they'll call you when encountering a stranded motorist.

State Requirements

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Your state will require that you license your tow trucks as commercial vehicles, this is usually done through the Department of Motor Vehicles, although some states handle the registration process through various departments.

Your drivers may also be required to obtain state-specific permits and licenses to provide towing and roadside assistance. They may also be expected to attend training classes and acquire certifications to provide these services.

You'll want to make yourself aware of and adhere to the statutes that govern towing and roadside assistance businesses in your state. For example, Illinois Statue (625 5/12-606) states; *(a) Every tow-truck, except those owned by governmental agencies, shall have displayed on each side thereof, a sign with letters not less than 2 inches in height, contrasting in color to that of the background, stating the full legal name, complete address (including street address and city), and telephone number of the owner or operator thereof. This information shall be permanently affixed to the sides of the tow truck.*

State Police

Again, this will vary from state to state, but you may be required to register your business with the State Police and attend classes to obtain certificates of completion.

In some states, portions of the roadways and turn-pikes the State Police patrol may be divided into sectors, which are then awarded to various towing companies on a contractual basis. You will want to know the legal requirements concerning what you can and cannot do on these awarded sectors of the highway.

As indicated above, contacting the State Police makes good business sense. When any law enforcement officer knows who you are and that you provide motorists with assistance, there's always a chance that you'll get the call.

Getting Signed Up

Best Roadside Assistance Companies to Work For

How to Make Working for The Insurance Companies Work for You

Below, we've compiled a list of the top insurance companies, and towing apps to work for, with links to applications for each. These companies receive millions of calls from motorists who find themselves in need of the services only towing and roadside assistance companies can provide.

As you look over the list and click on the application links, you'll notice that some of these companies have applications that are straight-forward. Meaning, they provide you with the specific application steps and insurance requirements you'll need to meet to become a contracted service provider for their company. While other companies ask that you provide your certificate of insurance, or a small amount of information, such as location, name, phone number, and email address. If you want to apply to these companies, you'll need to be patient, as a Field Rep or Service Rep, may need to contact you at a later date.

After you've filled out the application and provided everything the insurance company has requested, be sure to make a copy and bookmark the page. It can take some time, up to a few months in some instances, to process your application for approval. If you haven't heard anything after a couple of weeks, it's best to call and inquire. Sometimes an application will be lost, and you may be required to resubmit it.

Please be patient, these are huge companies, and there are thousands of other service providers, just like you, clamoring to be apart.

When you are approved, you will receive your service provider number, and you'll be ready to get started.

Insurance Company Applications

[Agero](#)

[Quest Tow Network](#)

[FleetNet America](#)

[Roadside Masters](#)

[All State Roadside Assistance](#)

[Roadside Protect](#)

[USRider](#)

[Road America](#)

[Auto Help Line](#)

[Best Roadside Service](#)

[Geico](#)

[National Automobile Club](#)

[ARI](#)

[Pinnacle](#)

[Nation Safe Driver](#)

[CAA](#)

[USAC](#)

[Tow Deals](#)

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[Mr. QuickPick](#)

[CDI Services](#)

[HelpBook](#)

[Better World Club](#)

[Carolinas AAA](#)

[Asurion](#)

[Swoop](#)

[Tow Choice](#)

[Mach1 Services](#)

[Access Roadside Assistance](#)

[Allied Dispatch](#)

[Towing Nation \(24 hr towing only\)](#)

[Auto Knight](#)

[Urgently](#)

[Honk](#)

[Tow Now](#)

[RapiTow](#)

How to Make Your Roadside Assistance Business Profitable

Have you ever heard the phrase, “Never look a gift-horse in the mouth?” This tired and worn-out phrase is meant to caution us against being ungrateful for what we have received. As exhausted as this phrase is, it still has some useful inferences that can help leverage the work the motor clubs send your way to build a highly profitable roadside assistance business.

As horses age, their teeth begin to change shape and project forward, and in the minds of most people, an older horse is less valuable than a younger one. Of course, those with the right mindset and ingenuity, know that a horse of any age can still be useful.

Depending upon the area of the country you work, as a contracted provider, the calls received from many of the clubs may not be as profitable as you had hoped. The rates they pay are determined by what the market will bear. Meaning, if a motor club can find a roadside assistance company who is willing to do a service-call for \$30, and you want \$45 to do it, most likely you’re not going to get the call. But do not despair, there are ways to utilize low-paying motor clubs for your benefit.

Rather than concentrating on the negatives that exist with some of these insurance companies, we suggest a 3-Pronged approach to leveraging these calls to grow your business. Detailed below are, leveraging roadside assistance customers to get more reviews, leveraging roadside assistance companies to build better relationships with repairs shops, and turning motor club customers into cash-paying customers.

We suggest that you whole-heartedly embrace what you will learn next and incorporate these strategies with full force into your roadside assistance business. As with anything in life, you get out of it what you put in, so a lackluster approach here will result in similar returns.

One last thing before you dive in, we suggest that you remember what business you are in. You’re not in the roadside assistance business serving people, you are in the people business providing roadside assistance.

Onward.

#1

Leveraging Roadside Assistance Customers to Get More Online Reviews

One of the most overlooked opportunities towing and roadside assistance companies miss is not asking for online reviews. One of the advantages of contracting with the clubs is that, if you ask, you can get their customers to leave you 5-star reviews online. Whether on Google, Facebook, Yelp, or any of the other directories out there, positive reviews help your business in a couple of ways.

Google loves reviews

Google uses three primary criteria to determine what businesses show up when a local search is performed.

1. Location of the searcher in relation to the business
2. Search query entered (Keywords)
3. Online reputation

One of the factors Google uses to determine a business's online reputation is the quality and quantity of their online reviews.

Consumers Use Reviews When Making Purchasing Decisions

You've done it, checked out what others have said online before making a purchase. Whether it was deciding what wireless headphones to buy on Amazon or Best Buy, or which restaurant to eat at while on vacation, almost everyone uses online reviews to drive their purchasing decisions. The reason we do this is because we trust what others have to say, the good and the bad.

So how do you get tons of 5-star online reviews?

One of the most significant challenges when it comes to gathering reviews for your business is the fact that customers fail to follow through. When asked to leave a review, most will agree to do so, but left to their own devices; they'll either forget, not understand the process, or decide that they don't have the time.

At [The Tow Academy](#), we've invested a considerable sum of money in technology that makes it much easier for your customers to leave reviews. Our [Review-Tool](#) is simple to use, and when employed properly, takes away all the customer objections from above. It looks like an App, and you place it on the home screen of your iPhone, Android, Tablet, iPad, or even desktop computer.

When you are with a customer, and you ask them for a review, if they agree, all you do is, tap the App, and then text your Review link to their phone. When the customer opens the link, they can then choose where to leave the review and how many stars they believe you deserve.

Our existing clients have been doing this for a couple of years now and have learned a few ways that work best in gathering tons of online reviews. The first, of course, is to be friendly.

Talk to your customer, empathize with their situation, and reassure them that you'll do whatever is required to get them back on the road again. Do a good job, don't get grease on their steering wheel or the interior of the car, and make sure that everything in the vehicle is left in the same position as when you arrived.

Then, **before the work is complete**, maybe as you are unloading their vehicle, or writing up the invoice, (as you should do for every call) ask a simple question in a way that feels comfortable to you.

Something like, "Hey, if I've done a good job for you would you leave me a review?" You might want to follow up with, "I'm trying to grow my business, and I heard reviews are valuable."

If you have employees, you could instruct them to ask for a review in this manner, "Would you mind leaving me a review? It'll let my boss know that I'm doing what I'm supposed to."

You'll want to tweak your approach so that it works for you. Some companies use the word "Survey," instead of "Review." Others will resend the text to the customer, a couple of days

later, if they fail to follow through. All-in-all, many of the towing and roadside assistance companies using our Review-Tool are generating between 30 and 40 positive reviews every month.

Regardless of how you do it, you should leverage motor club customers to get online reviews.

#2

Leveraging Roadside Assistance Customers to Build Relationships with Repair Shops

Another way you can leverage the customers the motor clubs send you is by going above and beyond the call of duty. How you go above and beyond is by providing your customers with more than just roadside assistance solutions, but also a solution to whatever issue caused their vehicle to break down in the first place.

Matchmaker

Many of the motorists you will be called to assist out on the highways will be from out of the area. And, besides the fact that most won't know what's wrong with their car, they'll also be uninformed as to where to find a reputable repair shop, that's close, who can help.

Visit the Shops

One part of marketing your business offline is first to visit every repair-shop and body shop around. You want to make sure that they all know your name, the name of your company, and exactly what it is that you do. Being your authentic self will help them to see that you are all-in and ready to serve them, not just sticking your toes in the water, not sure if you want to be in this business. But these visits should not be entirely about you. You're there to gather information.

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During these visits, and they should be regular, you should be like a scientist gathering information for an experiment. Of course, you should not make this visible, you want to develop good relationships, and walking in there with a clipboard, and asking a bunch of pointed questions would be somewhat off-putting.

You should create a contact in your phone for each repair shop, and include as much information as you can in the notes section. You'll want to get the name of the business, phone number, address, owner's name, manager's name, the names of the techs, the type of work they do, and if they specialize in any specific kind of repairs, like working on European-made vehicles.

Assisting the Motorist

Armed with the information you've gathered from the repair shops when you come upon a motor club customer who doesn't know where to take their car, you'll be able to go above and beyond to help.

When this happens, you can merely take a look at the list of contacts on your phone, and then call one of the repair shops that are close. Of course, you'll want to ensure that they're a reputable company and will take great care of the customer.

When you call, introduce yourself, and then let shop owner know the situation. Tell them that the customer is not from the area and doesn't know where to take their car and that YOU thought that THEY might be able to help. Then ask a simple 8-word sentence, that goes something like this; **Do you think you can get them in?**

Of course, you may need to contact the motor club to receive authorization to change the tow destination, but it will be worth it because what you will have done is created what's called a reciprocal event. Maybe even a couple of them, because you're helping the customer solve their problem as well.

The Law of Reciprocity says that when someone does you a good turn, you have a strong psychological urge to pay them back, and sometimes that payment is worth much more than the act that created the reciprocal event in the first place.

It may take some time, but eventually, with determination and dedication to this strategy, the repair shops will begin calling on you to tow their customers' vehicles.

#3

Transform Motor Club Customers into Cash Paying Customers

One way of making working for low-paying motor clubs work for your business is to turn their customers into cash-paying customers. Admittedly this is a long-term strategy, but you should think about where you want your business to be ten years down the road. Do you want to be a single truck operator or would you like to have a team of 10 or 12 professionals working with you?

Give Them Something They Don't Expect

As discussed in the previous comments, when you go above and beyond to help a motor club customer, when they aren't paying you directly for your service, it can reap abundant rewards down the road. Committing the seemingly selfless act of picking up your phone and calling a local repair shop, can have the result of this customer referring you to her friends and family.

Another tip with regards to reciprocity is to give your customers something they didn't expect. Maybe a bottle of water, a keychain, or some other useful promotional material. Albeit small, this tiny gesture has the possibility of being remembered. And when they see that keychain or think about the cold bottle of water you gave them, there's a chance you'll get referrals and be and called on once again down the road.

Show Them How Calling You Direct Saves Time

If you've read this entire book, you already know the process motorists must go through when experiencing a breakdown. In many cases, due to no fault of the towing or roadside assistance

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company, it can take up to 3 or 4 hours for service to arrive. If you can provide the customer with an alternative to waiting all that time, most will be happy to listen.

Provide the customer with your business card and inform them that there is an alternative to waiting all that time. Tell them that next time they are experiencing car problems, call you directly. Explain that, when they do, you'll arrive within a matter of minutes to provide whatever towing or roadside assistance is necessary. They will then pay you your fee, and you'll give them a receipt that they can submit to their insurance company for reimbursement. What can be simpler?

Be Where They are Looking Next Time

Many businesses fail because they don't pay attention to one specific detail necessary for survival. When starting any business, the critical consideration that the owners need to pay attention to is customer acquisition. Why?

Because customers generate revenue.

To acquire customers, you need marketing. Marketing generates customers who generate revenue. Most business owners mistakenly view marketing as an expense. Marketing, if done correctly, is an investment.

Marketing generates revenue.

Marketing comes in many forms. Examples of offline marketing include newspaper, radio, television, joining the chamber of commerce, and visiting repair shops. Examples of online marketing are a [properly optimized website](#), a properly optimized Google My Business page, AdWords Pay Per Click Marketing, and more.

What you must understand is, if you neglect your marketing online, everything you do offline will be less valuable.

Take the example from above, referring a motor club customer to a repair shop. It would be much easier for the repair shop owner to repay you for your kindness, and call you if all they had to do was get on the internet and search.

Make it easy for your customers to find you

The frequency at which the average motorist needs roadside assistance is only once every 5 to 7 years. Because these people only need you when they need you, you are not on their radar. Therefore, you must make it easy for them to find you.

As a business owner in the start-up stage, one of your jobs is the continuous acquisition of customers. To continually acquire a steady stream of new customers means you need to make it as simple as possible for customers to find you. Which means being where they are looking...Online.

Taking these steps will have the result of turning some of your motor club customers into higher-margin, cash-calls, and will help you to eventually move away from the necessity to accept lower than optimum rates. Incorporating these concepts and practices into your roadside assistance business will pay dividends in the end.

Why Continued Customer Acquisition Is Key to Growing Your Business

Your Ideal Customer

Because, on average, motorists only need towing or roadside assistance services once every 5 to 7 years, determining who your ideal customer is, and then ensuring your business is where they are looking when they are looking, is key to growing your business.

The stranded motorist is a roadside assistance business's ideal customer. Whether on the shoulder of a highway with a flat tire or at home with a dead battery, most in this position experience a sense of loss and overwhelm.

There's the loss of freedom to move about as they choose. There's the loss of time, not having the ability to accomplish what they had intended to achieve for the day. And then there's the loss of autonomy, coupled with a feeling of vulnerability because they feel helpless under the circumstances.

Your job as a roadside assistance provider is to provide a solution to their problem. For your business to be the one to provide that solution, it needs to be where they are looking when they are attempting to find assistance.

Four Places Your Ideal Customer Is Looking

When a stranded motorist needs roadside assistance, most of the time they have something else going on. They're on the way to work, or they're on their way to pick up a child from soccer practice, or any one of hundreds of other errands. And many times, the quickest solution is the best solution.

There are fundamentally four ways in which your ideal customer finds assistance when in this position.

1. Law Enforcement

Some motorists will still call 911 when they need help. They'll ask the dispatcher to send out a tow truck.

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2. Motor Clubs

Many motorists will call the 800 number on their insurance card and wait for roadside assistance to arrive.

3. Referrals

This one comes in many shapes. From the suggestions of friends and family, referrals from a trusted auto repair shop, or maybe even Facebook.

4. Google Online Search

Not everyone is willing to call 911 or wait for roadside assistance to arrive. Not everyone wants to take the time to call a repair shop for a referral, but everyone has a smartphone and the ability to Google "Towing Service."

To continually acquire more and more of your ideal customer, you need to have a **commanding presence online**. Stranded motorists want solutions, and the quicker, the better. The desire for a speedier resolution to their problem means that they are willing to pay your reasonable rates. Rather than depending upon someone they don't know to follow through, and risking waiting 1 ½ hours for a motor club dispatcher to find someone to help, many in this position choose the direct approach. They use their smartphone to search and then call the first roadside assistance company they find. That should be you.

What A Commanding Online Presence Looks Like

By now you understand the value of working with the insurance companies and how to leverage the customers they send your way. And you've probably already signed up with a few of the companies listed above. Good for you, make sure provide excellent customer service, and follow the guidelines we've provided. This will ensure you of continued success as you grow your business

You have also learned who your ideal customer is and that, to get those calls, your business needs to have a commanding presence online. Now we'll discuss many of the components that go into acquiring a commanding presence online.

Improved Visibility

What you want is improved visibility WHERE IT MATTERS. Improved visibility means that the name of your business shows up in more and more relevant search results more and more often, as time goes by. Where it matters is on Google's first page. The second or third page and beyond have zero benefit, unless you're just starting out and are working at getting on the first page.

What does it take to have improved visibility? You must start with a solid foundation.

A Properly Optimized Website

Many times, clients will come to us asking why their free websites aren't working to get their phones ringing. The answer we always tell them is that free websites aren't really free. And that, because free websites don't work, it's costing them tons in lost revenue.

Google uses more than 200 factors to determine which pages show up in a search result. Including, title tags, meta tag description, proper usage of h tags, properly titled images, alt text, and dozens of other components.

To some, this can be overwhelming and induce paralysis of a sort, causing them to not take action. Others are oblivious to these warnings, and attempt to build their own sites, or hire someone on-the-cheap to build one. The results for both are the same, zero cash-calls because their businesses aren't being found where potential customers are looking.

A properly optimized website is the foundation for your online presence, without a good foundation, everything else you do online and offline is less valuable. On the upside however, when you have a properly optimized website, it positively affects every other part of your online presence.

We suggest that you find a [competent professional](#) who understands SEO to build your website. Don't waste your time on do-it-yourself sites that don't work, you have enough going on running your business. And steer clear of anyone offering to build you a one-page site, that's a clear sign that they do not understand how search engine optimization works.

Continuous Improvement

Once you have a properly optimized website is not the time to rest on your laurels. Just as when investing in your home, you must do specific things to ensure that it doesn't go down in value. You must mow the grass, pay the bills, and make repairs when necessary. And if you want to increase your property value for resale, you might remodel the kitchen, add new carpet, or build a larger deck. All of these things, if done properly, and added to a solid foundation will prove to be very worthwhile.

For a website to garner improved visibility, it needs continuous upkeep and improvements as well. For its pages to get the **ALL-IMPORTANT CLICKS** it needs, there needs to be consistent activity, and some sort of a way to drive traffic. But you don't want just any clicks. You need relevant, quality clicks from local sources. This means you must give your local community a reason to visit your website.

One way of doing that is by asking your existing customers to visit your website. You can do this very subtly in all interactions with your customers. On your business cards, invoices, ticket books, and brochures put questions, and direct your customers to your website for the answers. You can also use Pay Per Click marketing like [AdWords or Facebook](#) to generate clicks to your site. There are hundreds of unique ideas people have used to generate buzz and get people visiting their websites. Investigate on your own and see what works for you.

A Properly Optimized Google My Business Page

Your Google My Business listing is free and every business should have one. If you don't already have one, go [here now](#) to learn how you can get a verified Google My Business listing for your business.

After you get your GMB listing verified you'll then need to properly optimize it by adding the services that you provide, the hours you are available to provide service, the service area, either location or radius, along with the category of the business you are in. After that there's much more you can do to get your listing to rise closer and closer to the top of the Google Places map.

One way to get your GMB listing higher on the map is to Post Social directly from the dashboard of your GMB page, another is by ensuring that all your directory listings are accurate and

consistent across all the directories that Google has define as valid. Here is a [tool you can use](#) to check the accuracy of your business's directory listings.

The Importance of Accurate Directory Listings

As mentioned earlier, Google uses 3 basic criteria when determining what businesses to present when a search is performed. Those are, **Location** of the searcher in relation to the location of the businesses matching the search query, **Keywords** entered in the search query, and the **Reputation** of the businesses matching the search query.

One way Google determines a business's reputation is through the accuracy of their directory listings.

Facebook, Google, Bing, Yahoo, and Yelp are all examples of directories. But there are literally thousands, probably even hundreds of thousands of directories out there. And most of them are populated by what's called aggregators, software in the form of bots that scrape the internet for your information.

These aggregators don't screen for accuracy, which means that if your business is listed wrong on an old Facebook page or Craig's List listing, anywhere really, these aggregators will grab that information and shove it into their directories. This means that, through no fault of yours, your information online is, most likely hugely inaccurate.

Think about that for a minute. What if we went back to the 1990's when having a listing in the phone book was still a thing? What do you think would happen if your 1990's business phone number was wrong? Yeah, your phone wouldn't ring.

That's a Big Deal! And Google believes that having inaccurate online directory listings is a big deal too. So much so, that they favor the businesses who ensure that their online directory listings are 100% accurate and consistent across the board.

The problem of course, is, with so many directories out there, and growing every year, how can anyone keep up with it all? The answer is that Google understands the difficulties here and has defined about 70 directories as being valid. Which means that if your directory listings in those 70 directories are accurate then you're in good shape.

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One company, YEXT makes it easy to ensure your directories are accurate. They charge an annual fee, and, unless you [hire someone to do the work](#), it is your job to properly register with all the directories, and make the required updates to your listings.

Pay-Per-Click Marketing

Dollar for dollar, Google AdWords Pay-Per-Click Marketing is the quickest way to get your phone ringing with tons of high quality cash paying customers. No other marketing medium even comes close to providing as high a return on investment as AdWords. Let's do a little comparison of a couple of other options.

Billboard Advertising: You pay a one-time set-up fee and then a monthly fee to have thousands upon thousands of customers drive by your billboard. Of which, most only need your services once every 5 to 7 years. There's really no way to determine ROI, unless you ask the customer where they got your number. The worst part is, three seconds after they pass, they're onto the next billboard, and you're forgotten

Radio Advertising: You pay a one-time set-up fee for a cute little jingle and an ad that makes people smile, plus a monthly fee for whatever frequency your ad rep determines is best for your business type. Your goal; Top-Of-Mind-Awareness. But with this type of advertising, you need to ask yourself, what do most customers do when they need roadside assistance? Do they spend time trying to remember the name of the company that put out that feel-good radio commercial, or do they pick up their smartphones and search "Towing Service?" Of course, they search for help on their phones.

Customers always follow the path of least resistance, they're looking for the easiest and quickest solution to their problem.

Why would you want to pay for all those eyeballs looking at your billboard or all those ears listening to your fancy jingle when they don't need your services right now?

Besides, people are bombarded at an ever-increasing rate with tons of information every second of the day, there's a very slim chance they're going to remember your billboard or ad, when they need your services.

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With a properly optimized AdWords Pay-Per-Click Marketing Campaign, you are exactly where these people are looking, WHEN they need help. Not weeks or months before they need it.

We suggest a minimum budget of \$1000.00 and that you contact a [competent professional](#). This person should research your area and provide you with the optimum ad-spend for your market. They should have the ability to correctly set-up and run an AdWords Campaign that is specifically designed for the roadside assistance industry.

Of course, you can learn to do all this stuff yourself, but the details that go into the correct way to optimize these campaigns are numerous and time consuming, and need your constant attention.

The bottom-line, AdWords Pay-Per-Click Marketing works, but you must be committed to the process, and have the ability to discern between an expense and an investment. AdWords is an investment, and a highly valuable online marketing medium for roadside assistance companies.

Putting It All Together

The Components of a Commanding Online Presence

Properly Optimized Website	Verified & Optimized GMB Listing
Accurate & Consistent Directory Listings	Verified & Optimized Facebook Bus. Page
Consistent Attention to Your Site	Tons of Online Reviews
Clicks to Your Site	Pay Per Click Marketing

If you've done everything right and someone continuously working on your online presence, over time your various listings and properties online, including your GMB page, and website, will see improved visibility. Meaning you'll start showing up more often, for wide and varied search queries associated with the roadside assistance industry.

How to Determine Your Average Cost Per Tow

In our efforts to inspire you to create a highly profitable roadside assistance you will love, now we are going to show you a simple approach to, determining your average cost per tow.

Knowing this information can help when it comes to making a decision whether to become a contracted provider or an out-of-network provider for the motor clubs.

Why Should You Know Your Average Cost Per Tow?

Have you ever had one of those days where the phone has ceased to ring? You know, it's been 4 hours of nothing, and paranoia is beginning to seep-in. You start to wonder if it's you. You then play a familiar movie in your head where every other towing company in your city is as busy as little bees, running call after call, and you're just sitting there on the sidelines, hoping...PRAYING...for the damn phone to ring.

We've all had those days, and it's precisely because of those days that some of us have fallen for the trap of accepting less than what we are worth.

You need to know your average cost per tow because, without it you are more susceptible to giving-in to the temptations of running calls for nothing when times are slow.

Make the Best Use of Your Limited Time

Each one of us is allotted the same 24 hours every day, the same 8,760 hours every year. Our lives span, on average, 80 years, which gives us each about 700,000 hours to live on this planet. I mention this because, only once you realize how severely your time is limited, will you begin to understand the importance of properly valuing it and therefore pricing your services accordingly.

Towing Revenues Do Not Equal Profits

Whether you are a single operator roadside assistance company who wants to grow, or an owner with dozens of employees, your aim is to acquire a large number of customers. But just running a large number of calls does not guarantee profits.

Many business owners, large and small, mistakenly believe that the proof of a successful business is either more revenue or the acquiring of assets. Somehow their thinking has become twisted and, rather than focusing on profits, they focus on things that don't move their business forward.

With some, they concentrate on rock-bottom pricing, or having more and more trucks. With others, the focus is on working for anyone, even if it's at a loss. They rationalize these choices by suggesting that if they didn't operate in this manner, a competitor might swoop in and get a foothold.

This might have been the old way to grow a towing business, but no more. Today, this kind of rationale only leads to more debt, lower quality operators, and bad service, all of which will eventually put you out of business.

The right way to grow your towing business into a big business is to first learn how to operate your small business at a profit. The next step is disciplining yourself to continue doing so as you grow, but we'll leave that for another time.

To know if your business is operating at a profit you need to know your average cost per tow. But before you can learn your average cost per tow, you need to know the costs associated with providing towing services.

Costs Associated with Providing Towing Services

Depending upon who you ask, there are various ways to determine the costs associated with providing towing services. The instructions here are not for accounting purposes, they are to provide you with a clearer understanding of the costs associated with providing these services, so that you set your rates in a manner that allows you to make a decent profit.

For our purposes here, when determining CAPS, (Costs Associated with Providing Services), we want to use only those expenses directly associated with running these "calls." This is done to ensure that you arrive at a valid average cost per tow.

For example, rent paid on a building or lot used for your towing business *would be* considered a part of CAPS but principal paid on a mortgage used for your towing business would not. Although the interest expense paid on that mortgage *would be considered part of CAPS*.

The same goes with your truck payments. Principal paid on a truck note would not be considered CAPS, but the interest expense paid would be.

Other examples of CAPS include: Fuel, Insurance, Repairs & Maintenance, Tow Truck Operator Payroll, Dispatch Payroll, Payroll for Bookkeeping & Admin, Telephone Expense, Marketing, Uniforms, Damages, Invoice books, Licenses, Legal Fees, and other costs directly associated with providing towing services.

The assumption here is that you have all of the tools and equipment needed to provide the services you offer. If you need to replace or repair a tool, then you'll want to include those expenses as a cost associated with providing services.

You will want to be careful attempting to include major purchases of equipment as a cost associated with providing services. For our purposes here, doing this is not a good idea. These are assets and can be depreciated on your tax return, and sold if necessary, so exclude them to get your true ACPT.

Again, this is not a lesson in accounting and should not be construed as such. If you have questions consult your bookkeeper or accountant for further assistance.

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When discussing average cost per tow (ACPT), the term “calls” is taking into consideration every type of call you perform, not just tows.

Here “calls” includes roadside assistance calls and recoveries as well. And for every type of customer; law enforcement, motor clubs, cash calls, auction companies, and even the junk cars you buy.

Of course, you could break these down by the various revenue sources, but only if you’ve kept accurate records where you’ve broken down monies received from each revenue source as well.

Determining your average cost per tow (ACPT) is relatively simple. The first thing you need to understand is that your ACPT is constantly changing.

Due to the fact that revenue trends are inconsistent in most towing businesses, to get a better grasp on what your true average cost per tow is you need to look at a larger span of time. So, we believe that the best way to determine your ACPT is to use annual numbers.

Your average cost per tow (ACPT) is determined by dividing your annual Costs Associated with Providing Services (CAPS) by the number of calls you ran during that same period.

Example:

Let’s say a towing company by the name of Extreme Towing has done the work and determined that their CAPS for 2017 was \$317,000. The number of calls they ran for that same period was 9675.

The math then works like this: $(CAPS \div \# \text{ of Calls} = ACPT) - [\$317,000 \div 9675 = \$32.76]$ So, Extreme Towing’s ACPT for 2017 was \$32.76. On average, each call they ran cost them \$32.76.

Using Your Average Cost Per Tow

Now that you know how to calculate your average cost per tow, the next step is determining how to use this information.

First, understand that as your business grows there will be a number of things that can either increase your average cost per tow or decrease it. Even though increasing the number of calls you run per year will increase your CAPS, with regard to fuel, payroll, repairs, maintenance, and other expenses, this increase can have a disproportionate effect on your average cost per tow due to economies of scale. That is of course, if you are disciplined and don’t increase your CAPS unnecessarily, by spending on unnecessary items.

How to Make Working for The Insurance Companies Work for You

Because of the effect of economies of scale and to ensure that you are pricing your services so that you continue to be profitable as well as competitive in the marketplace, we suggest that you measure your average cost per tow, at least once every 6 months.

Once armed with this information, knowing that their average cost per tow is \$32.76, the owner at Extreme Towing can then make better decisions about his business. And, knowing that his time is limited, he can choose to market his business to cash paying customers, those willing to pay \$85 or more for his services.

Rather than determining your rates simply by undercutting competitors, or worse yet, using the dart-board approach, knowing your average cost per tow, and then using that information to properly price your services so that you profit consistently will ensure your business of continued success.

Conclusion

Thank you for your interest in joining the exciting world of towing and roadside assistance. We hope that you have gained valuable insights and are now fully aware of everything you are required to do to take part as the next generation of service providers.

Servicing those who travel, the busy highways, interstates, and city streets of this nation can be difficult. It is not something you should take lightly; you have a highly relevant job. If it weren't for towing and roadside assistance providers just like you, motorists would remain roadside, babies would stay locked in cars on hot days, and the likelihood of secondary accidents would increase.

What you do every day matters. Towing and roadside assistance providers are making a positive impact on the lives of millions of people. And our only hope is that you understand the value that you bring to the table, and derive the tremendous benefits you deserve, both financially and emotionally.

We wish you the very best in your endeavors, and if you need any help along the way, please reach out to The Tow Academy for assistance.



The Tow Academy

The no-bull**** approach to growing your bottom line.
Increasing your visibility online to create authority in your market so, you
show up more often when motorists search for your services.

These services consist of

- **Building Custom-Made & Optimized Websites**
- **Ongoing SEO Services**
- **Social Media Campaigns**
- **Web Hosting, and AdWords Campaigns.**
- We also have a cool **Review Tool** that gets you tons of 5 Star reviews, if you use it right.

Be found where your customers are looking. The Tow Academy provides
everything a growing towing or roadside assistance business needs.
For More Information Go To [The Tow Academy](#) or Call: **314-328-9869**

How to Make Working for The Insurance Companies Work for You

Are you interested in learning more about the towing and roadside assistance industry? Below are some books by the author that are sure to help you in your travels. Also, be sure to subscribe to our email list at www.thetowacademy.com When you do, you'll receive notifications when more titles become available.

