**Enterprise Rent-a-Car – Case Study**

A leader in the car and truck rental industry, Enterprise Rent-a-Car has more than 530,000 cares in its fleet in over 5,000 locations in five countries. With over 50,000 employees, Enterprise has annual revenues over $6 billion. Enterprise is focused on providing excellent customer service, as one of its core values, by listening and acting on customer feedback.

Enterprise has been able to remain the leading rental car company in part through its innovative use of information technology to improve customer service and enhance the efficiency of core processes. Ninety-five percent of Enterprise’s business comes through local rentals, of which a significant number are replacement rentals, paid for by insurance companies on behalf of drivers whose cars have been in accidents and need to be repaired. In order to make this process efficient and customer friendly, Enterprise developed an internet-based system called ARMS (Automated Rental Management System) that allows Enterprise and its customers to streamline and automate a once-tedious time-and resource-consuming process.

The concept of ARMS is simple, but its effect on the car rental industry has been staggering. The insurance company, the repair shop, and the Enterprise rental center are brought together through the Enterprise-supported ARMS Internet site. The insurance company logs into the to be repaired. The driver simply picks up and uses the rental car while his or her car is at a repair shop. Meanwhile, the repair shop updates the status of the car daily until the repair is completed. The repair shop then sends a message to ARMS, which sends a message to the insurance company, who calls the driver with the information that the car is ready. The driver returns the rental car and is driven to the repair shop to pick up his or her own car. Meanwhile, a bill is generated and sent to the insurance company for payment.

Having invested $28 million to develop and implement ARMS, which has an annual maintenance cost of $7.5 million, Enterprise processes more than $1 billion in transactions through the system, which is used by twenty-two of the nation’s twenty-five biggest insurance companies (and by over 150 insurance companies in all), more than doubling its business with certain companies since the advent of ARMS. Moreover, insurance companies are doing more business with Enterprise because the insurance industry saves between $36 million and $107 million annually due to shorter rental times (due to eliminating phone calls to Enterprise and repair shops and to eliminating time-consuming paperwork), and shorter repair times (because mechanics don’t have to continuously field phone calls from the insurance company).