

# Making a World-Class Transit System a Reality

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## **ABSTRACT**

Leaders in the transportation industry have long recognized that success depends on how well one can communicate their vision into a reality. Managing a multi-million dollar public transit operation is a serious venture. Many leaders underestimate the importance of designing an organization's future. Detailed planning and seamless communication is essential to reaching a vision. Having a goal to be world-class is hard work.

This paper will give the reader an awareness of what makes an organization successful when they undergo elements of changed management. This can also be known as: reorganizations; restructuring; reengineering; right sizing; and a new strategic direction. Moreover, this paper will focus on how to get an organization motivated so that everyone's involvement creates a level of ownership into the development of the strategy to achieve a performance level know as "world-class."

World-Class is not a performance in words. For world-class to be realized it requires definition and action. For the vision of world-class to be met, one should be reminded of a phrase we have all come to know, that is, "actions speak louder than words."

## **INTRODUCTION**

What does world-class mean to you or better yet, what does it mean to your customers? I am sure that the results would amaze most of you. In a recent polling, 25 people where asked to define world-class and we got back 25 different definitions. Does this sound like your organization? Regardless of the approach and use of the words, "world-class", "the gold-standard", and "excellence", we must define for ourselves what each of these mean for our employees and our customers.

For years we have talked about the ability for one to repeat their company vision and mission statements word-for-word. Most can not, because we have lost sight of why we exist. Making a world-class transit system a reality takes careful planning, endless

communication and dedicated teamwork. As Stephen Covey's habit number three states, "Put First Things First", we too must do the same.

It begins by defining world-class. This helps in the design of the organization so that the company is structured to achieve the vision. Next, one should design the strategic intent of the company so that the vision, mission and core values are linked to form a pathway toward successful implementation. In essence, develop the roadmap of how to get there, and once there, what does it look like.

Finally, the true test of success is the "buy-in" from employees from within an organization and how well they are prepared for the change, how well they accept the change, but most important, how well they get involved in making the change happen. This is a critical path item and one that can not be overstated in creating such a paradigm shift.

In the Greater Vancouver Regional District, April 1, 1999, marked the beginning of a new era on the way transportation services were to be delivered. It now involved many stakeholders; including employees, customers, trucking, shipping, municipalities, and others in order to make the region "future ready".

## **A BRIEF HISTORY OF VANCOUVER**

In 1998, the Greater Vancouver Transportation Authority (GVTA) Act was adopted into law. The organization, once known as, BC Transit, would no longer be responsible for the management of the transportation services within the Lower Mainland of British Columbia.

On April 1, 1999, the GVTA was renamed under an assumed name called "TransLink" and the Bus Company, now a subsidiary company of TransLink would be called the, "Coast Mountain Bus Company Ltd. (CMBC)". As illustrated in figure 1, the new paint scheme began the identity of the new company.

TransLink's role as an umbrella corporation would oversee all the transportation services within the Lower Mainland. They would act as the policy and funding provider for all the subsidiary operations. These separate subsidiary companies include, Major Road Networks, Commuter Rail, known as West Coast Express, Skytrain, known as the BC Rapid Transit, Bus and SeaBus, known as Coast Mountain Bus, Albion Ferry, known as the Fraser River Marine Transportation, and AirCare, known as the Pacific Vehicle Testing Technologies.

TransLink is currently governed by a 15 member board, all of whom are elected officials,

12 are appointed by the Greater Vancouver Regional District, and 3 are appointed by the provincial government. In addition, each subsidiary company is governed by its own board.

## **DEFINING WORLD-CLASS**

It's always exciting to be involved with a new company and a new beginning, but being sure that a company's definition is in place, takes careful planning from the start.

Bus and Seabus operations were not new; they simply had a new governance structure of how they operate under the Coast Mountain Bus Company Ltd. name. The first few months of any new operating company should be considered critical in defining the company and building on a new identity.

Leading up to April 1, 1999, the Vancouver transit system employees experienced a long period of unknown change. In addition to the new bus company name, the GVTA, now TransLink, had other mandates beyond that of the old BC Transit system. Timing was perfect to move ahead with doing what an exceptional public transit system does best - providing safe, clean, on-time, reliable, and efficient service.

However, due to all the changes in governance and rumors of breaking up the Bus Company, employees began to fear what the future had planned for them. This is why the definition of one's company is viewed as a vital element toward start-up. By getting employees involvement into remembering the basic element of, "What is our business and what is our business definition?", they were able to focus less on rumor and more on direction.

As a leader of any organization, it is our responsibility to create a vision for employees to grasp and repeat to anyone that asks. World-Class organizations focus on the three-voice process known as, the voice of the employee, the voice of the customer, and the voice of the process. These are characterized as essential elements of the definition of world-class and for any organization leading into the future and striving for quality.

In the creation of the vision principle for CMBC, it began with defining their business and preparing for the next steps of implementation. The new vision principle developed looked like this, "Provide World-Class Transit Service." Please note that this was not the vision statement, as one should not create the vision statement alone for the entire organization. This must be done as a group dynamic to create "buy-in" or "ownership."

Finally, at this junction, the foundation was initiated and one is able to begin the process of defining world-class. The next step is to foster involvement from employees into the

development of the next phase. This phase is called strategic intent and begins in the next section.

## **DEVELOPING A STRATEGIC INTENT**

The development of a strategic intent begins by answering several questions. In some cases, these elements may exist; however, they will require review to be sure the intent of all the corporate statements are what the new organization is seeking. Ask yourself these questions:

- What is our Vision?
- What is our Mission?
- What are the Core Values for the Organization?
- Is the Organization Structured Properly?
- Are there barriers that don't add value?
- Can the organization respond quickly to employee/customer issues?
- Are the employees viewed as most important?

If your organization is like most, these questions are difficult to answer. First, develop a retreat mentality. Which means, make the time for senior staff to meet off-site for a few days or one-day several times. Leave the pagers and cell phones off. Minimize interruptions and make use of the break-times more effectively. Be sure to have a professional facilitator keep the group focused on the outcome intended. Develop an outline and be prepared to complete it. This session acts as the draft road map, by which the organization will begin the review and comment process in developing the final product. One must not make the mistake of rolling a blank piece of paper out to an organization and expect in-depth feedback. The leaders of the organization must provide the initial direction. Otherwise, it would take more time to develop than one would desire.

In following this approach, CMBC rolled out the results of several months of meetings and retreats. This included all stakeholders, employees, supervisors and union meetings. In addition, it also included information from customer service reports and customer surveys.

The results of these sessions included several new initiatives. The creation of a new decentralized organizational structure so that responsibility and accountability was made clear. The development of a new vision statement that focuses on world-class transit services. A new mission statement, core values of operation, and a strategic intent statement that would keep the organization reminded of what their business is and why they exist. Finally, the development of key performance indicators that have meaning to all employees so that measuring one often would be the impetus behind the success of reaching world-class status.

This accomplishment was a major milestone and demanded a tremendous amount of time and effort from all the employees. By staying focused on these elements, it gave the employees a sense of future hope, a sense of process, the foundation for operating, and finally, a structure that would lead the new company toward its vision of becoming world-class.

The statements developed by any company should always have meaning, be achievable, and be easy to recite. The following are examples of what has been developed by the employees of Coast Mountain Bus Company, including the new bus paint scheme in figure 2, new logo in figure 3 and new SeaBus in figure 4.

### **VISION:**

- To Excel in Providing World-Class Transit Services to our Region by 2004.

### **MISSION:**

- To Provide Our Customers with Excellence in Transit through Safe, Courteous, Frequent, On-Time, Reliable Service that is Cost Effective and Encourages them to use our System.

### **STRATEGIC INTENT**

- To Be Recognized as a World-Class Organization, established through benchmarking and achieved through Continuous Improvement.

### **CORE VALUES OF OPERATION**

- To have Employee Participation, Development and Recognition
- To have Customer-Driven Quality

- To have Informed Decision Making
- To be Cost Effective
- To have a Philosophy of Continuous Improvement

In research about the transit industry in North America over more than two decades, trends have been picked-up along the way. At this point in history, there is a real focus on change and the importance of change in order to stay in business.

The transit system in Vancouver has undergone many significant changes in a fairly short period of time. The corporate statements developed have helped employees to gain a sense of ownership and pride to make their system work seamlessly. They have a sense that working together over the coming months and years will allow the company to grow and ultimately provide customers with a better service and future expansion.

Being a public transit company means, we are an integral part of the community and many eyes watch us as we carry out change. Whether one rides the system, attends a conference or gets feedback on the World Wide Web, we have to be conscious that we're not alone in our process. Wherever we go, people are sure to make suggestions or observations about many public transit issues. Their feedback is valued and reinforces the commitment to build a world-class organization. One must believe that to accomplish this, one must change to meet the evolving demands of our customers in the regions we serve. As we progress beyond 2000, transit systems will need to make every effort to ensure that their company does its best to keep employees and customers informed and involved in the change process.

Every day our systems receive many calls from the public. These calls, regarding both commendations, suggestions and complaints, are recorded for distribution to relevant departments. It is vital to develop a process that looks at the detail of each call and develop the statistical process approach to analyze this data often. It will become the benchmark of the future on how change can be handled effectively in our organizations. Paul Meyers wrote, "Human potential is boundless; its only limitations are those which one places on oneself."

## **GOALS AND OBJECTIVES**

Like any organization that seeks to improve the services they provide, the goal setting element tends to be an area that most people believe they either understand or have a -- been there done that -- mentality. Therefore, most people disregard the complexity of the entire process of goal setting and goal monitoring.

Goal setting is the most powerful element for one to target for successful achievement. Goals renew confidence and commitment. As a leader, one should be deeply interested in how their company can achieve their business goals.

It first begins at the development phase. It takes careful planning, many hours of meetings, reviews and discussions. However, if planned properly, it typically ends with tangible results.

The goal setting process can apply equally to one's personal goals as well as business goals. This is not rocket science. First, goals should not be confused with daydreaming or fantasy. Genuine goal setting is the first step toward positive, deliberate action. To set goals, one needs standards to follow. Goals should provide an outcome that assists in the achievement of the mission developed during the strategic intent design. Finally, goals must be stated positively.

Second, goals must be realistic and attainable. However, let's not confuse attainable with selecting low-level goals. Our goals must be challenging; they must be worth working hard for to achieve.

Third, goals must be within the guidelines of one's budget. It would be foolish to select a goal that would cost millions of dollars if one's organization didn't have millions to spend.

Fourth, goals must have a specific timeframe attached to them. We should focus not just on long-term goals, but include short-term goals as the building blocks. By setting both short-term and long-term goals together, the company begins to get motivated by seeing and experiencing the short-term results. This gives one a greater potential of success in leading the company into the accomplishment of future goals.

Finally, the goals must have tangible objectives. Tangible objectives translate into measurable achievement, whether on a business or personal level.

The following five goals represented everything that CMBC employees, unions, supervisors and managers believed as the proper steps toward becoming world-class. They believed these goals supported the core values. The main focus was on employees first and customers next. The concept that if employees are not happy, the customer doesn't have a chance to get world-class service. They realized that they must focus hard on the accomplishment of their goals and work as a team in order to realize the intent of their vision and mission statements.

Finally, it is vital to introduce the concept of "space repetition". That being, one must continually say the same message over and over and over. After time, the message becomes part of every day life. One must also encourage all personnel to read the goals

thoroughly, understand the detail of them, and participate in the process of tracking the progress into the future.

The five key goals and objectives developed by CMBC looked like this:

#### Goal #1 - Employees

- To Develop Employees who are Proud to be part of the Team.

#### Goal #2 - Customers

- To Provide Service that Increases Customer Satisfaction.

#### Goal #3 - Governance

- To Build Constructive Partnerships and Organizational Clarity with our Stakeholders.

#### Goal #4 - Information

- To Provide Information that leads to Quality Decision-Making.

#### Goal #5 - Continuous Improvement

- To Make Continuous Improvement a Way of Life.

Following each of the five goals, CMBC also developed up to six key objectives under each goal. This helped to build the foundation of goal achievement. In addition, they began the process of developing a daily reporting format and understanding that the work and performance of each day was vital to the success of achieving their goals. Most organizations make the mistake of waiting until the monthly or quarterly report is published, to find that they missed their target and if they only knew, they could have made an adjustment. The concept of daily information about key performance areas is essential toward achieving world-class.



## **RESULTS OF START-UP 1999**

As of this writing, the Coast Mountain Bus Company completed its first nine months of operation. Let's look back at the year of success during transition and let's take a look forward to see what is being planned ahead to achieve world-class status by 2004.

In April 1999, CMBC began the journey into a changing environment for transit services.

- Corporate responsibility was transferred from BC Transit to TransLink, and the new subsidiary, Coast Mountain Bus Company Ltd. was formed.
- Development of a new name, new logo, new identity and new paint scheme -- all created to start fresh with new innovations and improving services.
- Provided over 3.5 million service hours delivered at 99.65% availability.
- Coast Mountain Bus Company was recognized for a successful startup. The new organizational design improved decision making and customer response.
- The vision, mission, strategic intent and company core values were developed and implemented as our way of doing business every day.
- Introduced new and expanded bus services. Thousands of hours of service were added to improve customer satisfaction, with over 25 major service initiatives completed.
- Purchased 101 new low floor buses.
- Improvement in performance, such as attendance, reliability, safety/crime, service hours delivered, and our overall services rating.
- APTA named CMBC the safest bus system in North American.
- Y2K compliance ensured a smooth operation into 2000.
- Construction began on the new Richmond Transit Centre, with the opening of the new facility planned for June 2000.
- A continued presence in the community as a positive community member. For example, winning the Sockeye Award at the Steveston Parade in the summer of 1999 as the best

company entry, Toys for Tots and United Way contributions.

- Completion of the corporate headquarters floor relocation on time and on budget.
- Improvement in the Customer Survey Index for frequency, reliability, safety, helpfulness, connections, speed, and hours of operation.

## **WHAT'S PLANNED FOR 2000**

The program plan 2000 outlines new services earmarked for implementation during the budget year. The program plan objectives for CMBC were designed to pursue new transit services that complements the Strategic Plan and Area Service Plans. In addition, while a major portion of these changes were from customer complaints and suggestions, many are a direct result of operator service review committees, traffic checker reports and street supervision reports that are conducted all year long.

The key initiatives of the Program Plan were:

- 107 new buses ordered and scheduled for arrival in August 2000. 53 new articulated buses; 54 new low floor standard buses.
- 5% increase in service hours provided with a total of 175,000 new hours planned.
- Opening of the new Richmond Transit Centre which will be the home of the new Vancouver-Richmond Rapid Bus.
- Development of the specifications for replacement of the 244 trolley buses. Tender by March 18, 2000.
- Tender and approve an order for 66 new highway style coaches to improve service comfort for the long routes to downtown Vancouver.
- Improve efficiencies and increase productivity within the entire organization. A key performance indicator of 2.4 million dollars of savings expected.

While transit supply is currently below transit needs, it was identified that transit is currently operating at an 11% market share of all peak travel across the region. The Livable Region Strategic Plan, that was developed years ago, had a target of 17% of the rush hour market by 2006. This is currently not on target and is questionable as to whether

it is an achievable target without drastic changes to traffic plans, trip reduction plans, demand management plans and other key measures that affect transit services.

With the new governance in place, the TransLink organization will have to take on the challenges of these key initiatives and develop a more comprehensive long-range plan. This will help to meet the future demands of the regions transit systems. Moreover, it is important to note that the results of any long-range planning strategy must rely greatly on the cohesive relationship of the parent - subsidiary setup in order to achieve success.

## **WORLD-CLASS BY 2004**

Like the best of any plan, one must focus on a key principle of planning by asking the question. What does World-Class look like in 2004?

The approach that CMBC has implemented is simple. It's now December 2004. What does the Monthly Management Report say? What do the Performance Indicators look like? How are we organized? These questions are fundamental processes in goal setting, but often are overlooked. Most transit organizations work on an annual budget and/or an annual business plan. One must fight for funding and defend the budget each year. Getting to world-class means changing the process to a multi-year budgeting exercise, however, ideally it should be a 3-5 year financial plan that is approved by one's board of directors.

At CMBC, the monthly reports are a collection of the key performance indicators that roll-up to 20 items that are tracked routinely. These 20 items are easily results of tracking hundreds of indicators throughout the organization. The main indicators are:

- Total Revenue hours delivered
- Total Revenue kilometres delivered
- On-Time Performance
- Total Ridership
- Complaints per 100,000 km
- Commendations per 100,000 km

- Customer Satisfaction Index
- Accidents per million km
- Crime/assaults/robbery per 100,000 km
- Unscheduled absenteeism
- Mean Distance Between Failure
- Fleet Cleanliness
- Total Training hours
- Total Vacancies
- Total Operating expenses
- Cost per service hour
- Cost per passenger hour
- Cost per revenue km
- Cost per passenger km
- Productivity

While CMBC has many of the indicators it wants to track, the early part of the new fiscal year was targeted as the timeframe in which to begin the process of identifying what these numbers should say by 2004. Once they are established, it becomes the roadmap they will follow intimately.

## **CONCLUSION**

These and many other efforts tell the story of how well an organization implements change. It tells one that they are leading their organization well, that they are striving for customer excellence and world-class performance through employee participation. It results in improving customer satisfaction and knowing that the path to world-class status is one step closer.

In closing, much research has been done with many organizations, many books and papers have been written on the topic of world-class. In most cases, the value of success comes from clarity of an organization and what the customer views as world-class. It is vital to understand that the development of any long-range plan or vision takes time and commitment. As Robin Sharma said, "Wisdom thoroughly learned will never be forgotten."

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The views presented in this paper are solely the author's and do not represent those of the Coast Mountain Bus Company Ltd. or the parent company TransLink.

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