



Strategies for  
Public Transport in Cities



# Working Group Meeting, Barcelona Corporate Management

Goals and Challenges in PT  
Team work results

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## Team 1: Goals / Challenges

- Cost reduction and increasing of revenue
  - reducing cost of maintenance
  - outsourcing of work
  - less employees
- Hold or increase level of quality of services / better service level and more satisfied customers
- Build a strong company for PT (in Budapest and the region)
- New concessionary contract for public service
- Train managers in management
- Change age structure



## Team 1: Goals / Challenges

- Higher investment into staff in order to create common understanding of company mission
- Achieve high stability in financial situation
- Establish better systems for controlling
- Establish and execute passenger consultation in order to improve service quality



## Team 2: Goals / Challenges

- Save 6% of total operational cost in 2007
- Reduce absence of drivers due to sickness by 30% in 3 years
- Increase market share of PT
  - 50% in 5 years
  - 100% in 20 years
- Establish organisational structure according to the tasks
- Reduce subsidies / public money from 40% to 10%
- Decrease cost of personell from 60% to 45% in cost structure
- Copenhagen: 95 mio. pax, puncutality: 95,5%, satisfied customers



## Team 2: Goals / Challenges

- Be successful in change management / change the way of thinking
- Cost-effectiveness
- Keep operating cost in line with inflation
- Increase salaries of drivers by 10% (lack of drivers)
- Stable subsidies
- Receive 10-15% more money for investment into vehicles and modernisation
- Implementation of new salary scheme:
  - execution of better services
  - attract new drivers
  - improving discipline



## Team 2: Goals / Challenges

- Better financial results in order to be able to buy extra buses (400 new until 2010)



## Challenges from SWOT-analysis (threats)

- Coping with the deficit in state budget and the lack of financial support
- Dealing with the investment needs due to worsening condition of rolling stock and infrastructure
- Competition from other (mostly private) companies, in particular "global players" with advanced management methods
- Reducing of high political impact on daily operations and on circumstances (i.e. tariffs, supply, competition, financing)
- Social problems with employees, unattractive employer who is forced to lower personell cost
- Unsatisfied customers and declining passenger demand