



Dopravní podnik hl. města Prahy, a. s.

Prague Public Transit Co. Inc.



Change Management

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Reasons for Transformation



- ❑ **Owner (Prague Municipality) pressure for decreasing of costs**
- ❑ **Overstaffing**
- ❑ **Large and complicated company structure**
- ❑ **Low staff flexibility**
- ❑ **Fear of competition on PT market**

Transformation of PPT



2002 – 2004 Concept

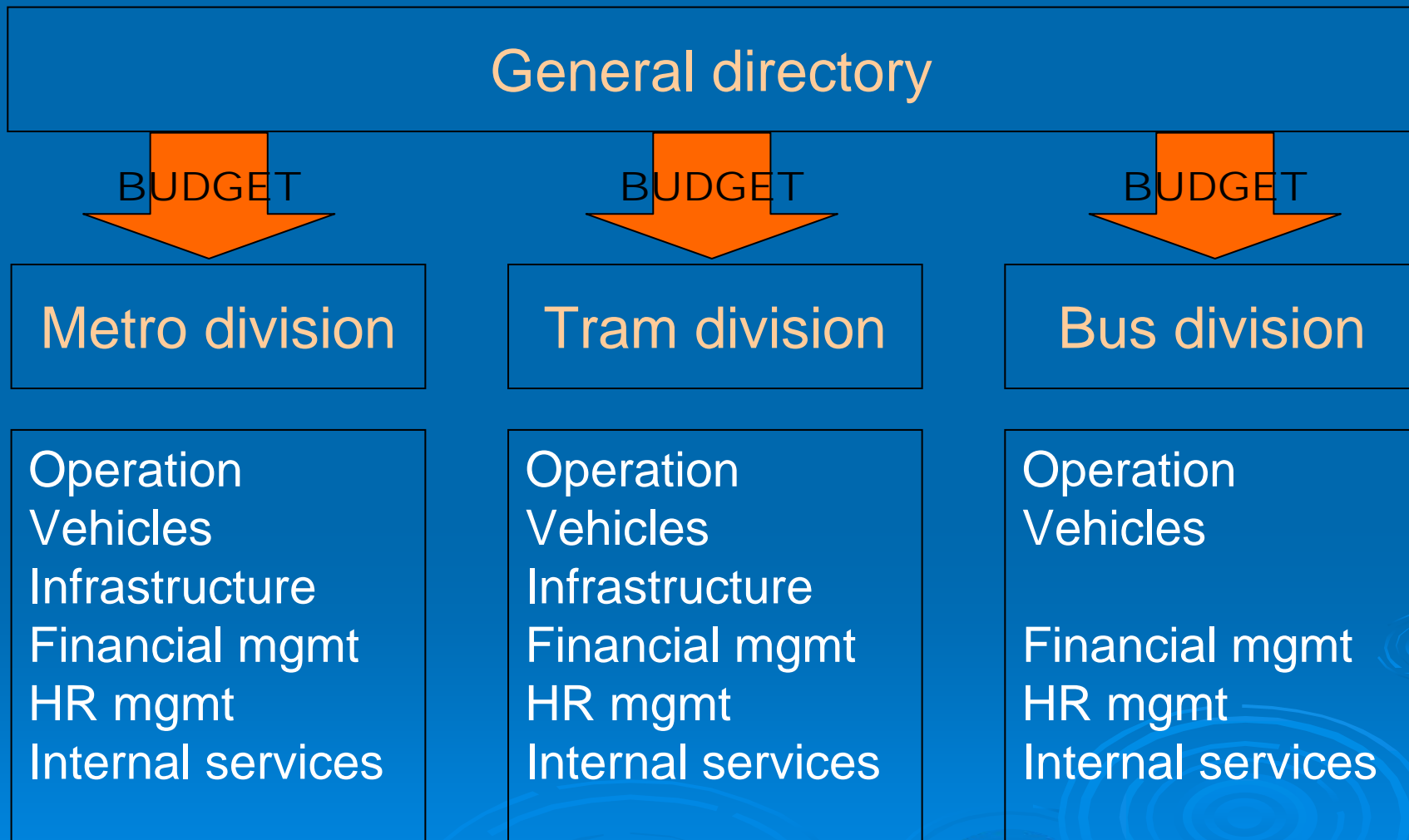
2004 – 2006 Realization – 1st phase

2007 – ... Realization – 2nd phase

Main objectives:

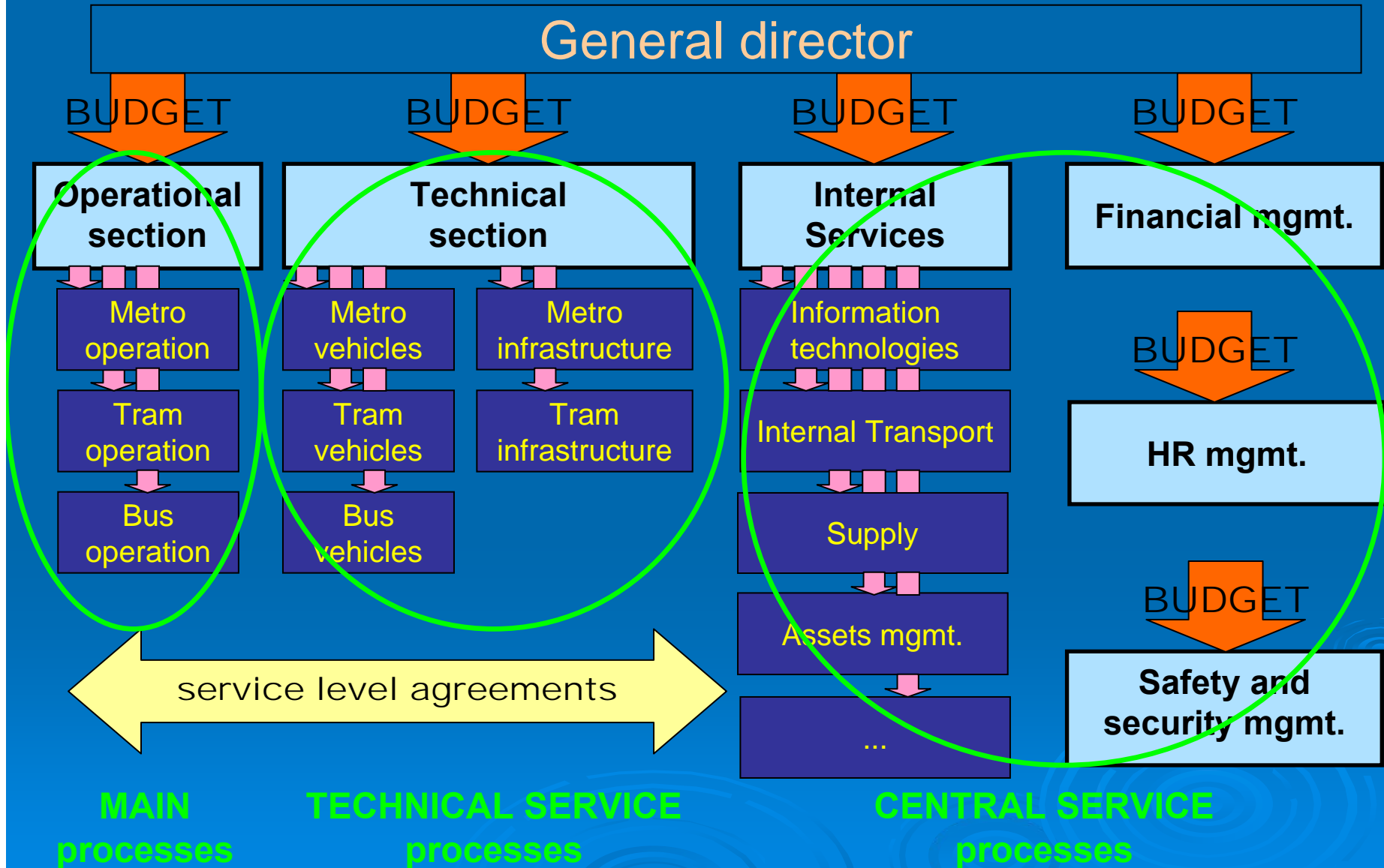
- ❑ **Hold high quality level of public transport service**
- ❑ **Be competitive on free market of public transport in European Union**
- ❑ **Reach European standard of company economical efficiency (better utilization of company resources)**
- ❑ **Increase efficiency of company management**

Before Transformation – hierarchical structure



Economic responsibility = DIVISION

After Transformation – process structure



Economic responsibility = each UNIT

Changes – 1st Phase (2004 – 2006)



Objectives

- Centralization of common activities
- Decentralization of economical responsibility

Process

- Concept – external consultant
- Realization – bottom-up

- + **company moving-up**
- **organizational changes without key process changes**
- **almost no personal changes**

Changes – 2nd Phase (2007 – ...)



Objectives

- Simplification of company economical model
- Coordination of costs, revenues and quality management
- Significant staff cuts
- Personal changes
- Marketing development
- Competences redistribution between DPP and PT-coordinator

Process

- Concept – external HR and organizational audit
- Realization – top-down

+ personal changes and rise of motivation

- worse communication of organizational changes than in 1st phase

Problems



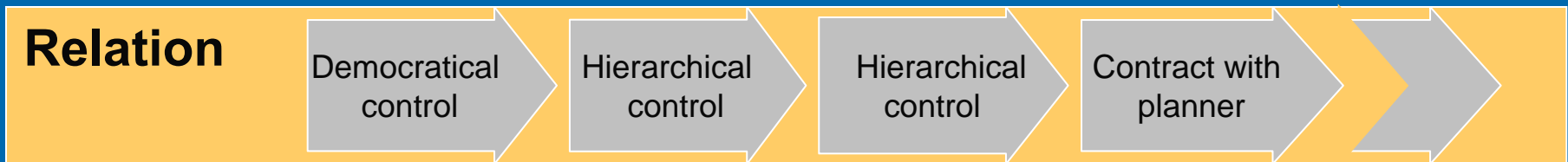
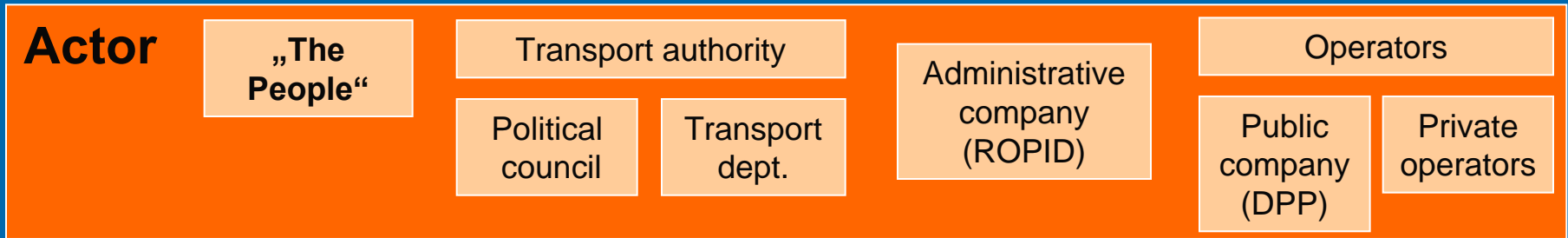
- ❑ **Setting-up of measurable transformation targets and data evaluation**
- ❑ **Management involvement with transformation targets and process (team work)**
- ❑ **Motivation of management and employees to change**
- ❑ **Low staff flexibility**
- ❑ **Communication of changes (internal, external)**

Questions



- Competences redistribution between operator and PT-coordinator
 - weak **x** strong operator
- Survival of large municipal operator on competitive environment
 - direct award **x** competitive tendering
 - high quality **x** low costs
 - alliance, joint-venture, etc.
- Operation of kinds of PT (metro, tram, trolley, bus)
 - in one company together **x** separate

Competences distribution - Prague



Strategic <i>Long-term</i> <i>(5 years)</i>	Transport pol.				
	Social pol. (discussion)	Mobility stand.	(proposals)	(proposals)	(proposals)
Tactical <i>Mid-term</i> <i>(1-2 years)</i>	(discussion)	Accessibil. std.	(proposals)	(proposals)	(proposals)
	Fares		Fares	(proposals)	(proposals)
			Routes	(proposals)	(proposals)
			Timetables	Timetables	Timetables
Operational <i>Short-term</i> <i>(1-6 months)</i>			Vehicle types	Vehicle types	Vehicle types
			Sales	Sales	...
			Information	Information	...
				Personal mgmt.	...
			Vehicle mgmt.	...	

negotiations

direct award / tendering

Thank you for your attention.

