

WAGN Railways

Reigning in cost at no cost

WAGN Railways, part of the National Express Group, was concerned about a lack of information that was leading to management's perception that costs were out of control and, more importantly, that revenue opportunities were being lost. Importantly too, there were important union issues that needed a positive outcome.

"Renoir's hands-on style has been instrumental in our achieving significant financial benefits from the implementation project. The project was cost neutral by week 26 of the 35 week programme, and our own task force, trained by Renoir, have used the same Renoir techniques to obtain additional financial benefits."

Mark Powles
Commercial Director

Key Results

Increased productivity in a real, measurable and transparent manner

Added between £1.5 - £2.0 million to the bottom line

The Return on Investment was 4:1

The results were sustained and a new way of working emerged at WAGN.

ANALYSIS

A 3 week Renoir Analysis revealed the following:

- A lack of accurate information was being used in rostering of station and train crews.
- Due to a failed restructuring the previous year, members of staff were working on different terms and conditions, leading to animosity and resentment amongst the "new" and "old" staff.
- No definitive information was available to detail which train journeys had the highest levels of ticket-less travel and lost revenue.
- An overall lack of good information systems was allowing an "old style" employee workforce to "manage" the business in the way they wanted.

PROJECT

Process maps and line flows developed by WAGN staff with guidance from Renoir, demonstrated the problems. Briefings were given to the entire workforce as well as the Unions (RMT and TSSA), led by the employee taskforce members.

A number of well publicized measures were introduced by and credited to various WAGN staff and teams to encourage ownership. Some of the measures included:

- **Rostering Rules:** Ideas such as planned vacation level and voluntary flexibility for overtime were developed by the workforce. These ideas would be ridiculed if it were a top down decision.
- **Master Schedule and Staff Loadings:** Customer service levels when despatching trains, and queue length when buying tickets, were two of the parameters that were placed in a labour loading model to efficiently determine required staff numbers.
- **Revenue Diagrams:** Following an analysis of lost revenue (through ticket-less travel) patterns, a systematic approach for placing Revenue Protection Officers on the most critical journeys was developed.
- **Decisions based upon information:** Throughout the business it was stressed that factual information was the basis for decision-making, resulting in a reduction of 'management by perception' which significantly improved management's confidence in taking decisions, a vital aspect in the six-week period of union negotiation.

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- **More Effective Review Meetings:** Data was processed weekly, vs. 4-6 weeks, and reviewed at a depot level, rather than centralised.
- **Restructuring Database:** A new comprehensive HR database was developed that allowed scenario planning to be undertaken by management prior to and during the union negotiations, allowing more effective negotiations.
- **New Organisation Structure and Roles & Responsibilities:** Due to the “yes” vote at ballot, all staff were placed upon the same terms and conditions, with a reduction of seniority gradings from over 30 to under 10.

OUTPUTS

The WAGN/Renoir Project increased productivity in a real, measurable and transparent manner and added between £1.5 - £2.0 million to the bottom line. The Return on Investment was approximately 4:1. Perhaps more importantly, the results were sustained and a new way of working emerged at WAGN.

THE RENOIR GROUP

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