

## PLUS Expressways

### Transforming Transportation

PLUS Expressways Group is the largest toll expressway operator in South East Asia and one of the largest in the world, in terms of market capitalisation. The company was founded in 1986, and was known as Highway Concessionaires Berhad, later changing its name to PLUS in 1988. It is the nation's premier toll expressway operator, with expressways stretching from the border of Thailand in the North to the border of Singapore in the South, placing an emphasis on safety, comfort and customer care.

"Renoir's approach is to involve as many of our people as possible to ensure that ownership of the systems and jointly developed solutions are sustainable. They work with all layers of the organization to create the same understanding of performance."

**Noorizah Binti Hj Abd Hamid**  
*Managing Director*

### Key Results

Routine maintenance productivity up 128%

Resource allocation plans from 48% to 100%

Work plan attainment from 46% to 96%

Overtime reduced by 35%

Insurance Case Conversion Ratio improved by 24%

Effective Claim Values recovered improved from 22% to 49%

### ANALYSIS

With the continued rise of maintenance and general operating costs of the expressways, PLUS engaged Renoir to perform a health check Analysis on its business to establish opportunities for improvement.

The Analysis revealed that:

- Control over maintenance sub contractors could be greatly improved
- Planning could be significantly enhanced
- Supervisory skill improvement was required to monitor performance
- Historical data was inaccurate and not always used for corrective action
- Operations meetings were often ineffective – no proper agendas or follow up mechanisms

### PROJECT INITIATION AND FOCUS PROCESS™

The first phase of the Project (10 weeks) was spent with a client Task Force in the central region to better assess, qualify and quantify the extent of the problems, in order to begin the buy-in process and develop suitable solutions.

The second Phase (10 weeks) was to design and develop the management systems and processes and implement the new way of working.

At Headquarters, a regular Steering Committee Meeting was established, and attended by the Managing Director, the Chief Operating Officer, the Chief Finance Officer, and the departmental General Managers. Management Action Teams (MATs) were formed and the MAT Chairpersons reported to the steering committee on the Project progress and results.

There were four main MATs set up to monitor and drive progress:

- Maintenance (Routine Maintenance and Heavy Repairs)
- Toll Operations
- Performance Management (Head Office)
- Risk Management (Insurance Claims)

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## IMPLEMENTATION – MAKING IT HAPPEN

### **Maintenance Management System:**

A region-wide roll-out of a Short Interval Control (SIC) System along with improved Planning Systems allowed the maintenance department to measure and manage its performance on a daily basis.

Very quickly, the local section managers were able to pin point performing and non-performing sub contractors, according to set standards, enabling them to take corrective actions on a daily basis. As a result, routine maintenance had a jump in productivity of 128%.

### **Effective Planning and Standard Times:**

The routine maintenance and heavy repairs planning areas were also revamped with standard times and improved planning. This work focused the sub contractors on more effective deployment of their workforce, resulting in resource allocations jumping from 45% versus plan to 100%, i.e. every job had its full crew as planned. This, coupled with other system changes, improved Plan Attainment, from 46% to 96%.

### **Toll Operations Management System:**

The focus was on reducing overtime with several key activities:

- Overtime planning
- Supervisors' reviews of all overtime claims
- Weekly reviews by Human Resources

As a result of the control system being effectively used, an average of 35% reduction in overtime cost was achieved.

### **Risk Management:**

Insurance claims (against drivers who damaged the highway), Case Conversion Ratios (total number of effective cases closed) and Value Conversion Ratios (total effective claim values recovered) were used in detailed, frequent and consistent reviews between PLUS and its Claims Consultants. As a result, Case Conversion Ratios improved by 24% and Value Conversion Ratios jumped from 22% to 49%.

## BOTTOM LINE

The PLUS-Renoir programme met and exceeded all of the committed savings, well in excess of the targeted Return On Investment of 6:1.

## THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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