

Case Study: New Zealand Bus

Wellington and Auckland Region

New Zealand owned and operated, NZ Bus is the largest operator of urban bus services in the country. With a fleet of over 1,000 buses and their dedicated and committed team of 1900 staff, they move over 50 million customers across Auckland and Wellington every year. Their vision is to be the way people in their communities choose to travel and to be recognised as the Australasian leader in passenger transport.

“Working with Renoir has enabled us to unlock our potential to continually improve the way we operate.”

Claire Neville

Regional Operations Manager

Key Results

Reduction in non-budgeted Payroll costs; reduction in Operations Overtime of 15%

Reduction of incurred fines of 30%

Increased maintenance productivity by 32%

Improved and sustained Management Control System that drives performance and continuous improvement

ANALYSIS

Renoir’s Analysis Team surveyed Operations and Maintenance departments in Auckland and Wellington and found some significant improvement opportunities in existing systems and processes.

Main findings

- Overtime was institutionalised at the depot level and was inadequately measured, analysed or questioned.
- Weak interfaces between Operations and Workshops meant that bus availability priorities were not always met, leading to fines.
- There were opportunities to increase the output of maintenance teams and preventative maintenance was lacking.
- The behaviours displayed by the first level of management were reactive, with a lack of focus on operational productivity.
- Existing Management Control System (MCS) elements needed improvement and some basic processes were not fit for purpose.

PROJECT APPROACH

With agreement from NZ Bus, the project was planned for 41 weeks and began with Renoir’s Focus Process® - Definition & Development – followed by Installation. The program, named Magellan, was initially piloted at two sites: Kilbirnie in Wellington and Waka Pacific in Auckland, with a planned roll out to the remaining sites.

The full time Task Force consisted of two Renoir Consultants and two NZ Bus staff. Overview by NZ Bus was provided by the Steering Committee, consisting of senior NZ Bus and Renoir personnel, with Management Action Teams (MATs) for both Maintenance and Operations for each pilot location. Each MAT comprised a multifunctional team of NZ Bus staff on a part time basis and Task Force members, who were tasked with delivering the results in their own area of responsibility.

The 12 week Focus Process® delivered 4 fully critiqued ‘Brown Papers’, process maps and a comprehensive suite of desktop based analyses which helped to identify 27 issues for resolution within the Operations and the Maintenance departments.

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“We had already tried twice to implement these changes and this time we have succeeded and built a great foundation for our future fleet management.”

Ian Gordon
GM Fleet

“I have never once regretted the decision to engage Renoir to deliver these important changes to my business.”

Zane Fulljames
Chief Executive Officer

KEY INITIATIVES

Operations

- A fit for purpose ‘Establishment Calculator’ was developed to correctly determine the number of required operators.
- Hourly Vehicle Requirements were also calculated for all business units which drove the Service Levels Agreements (SLAs) between Operations and Maintenance.
- Key processes to reduce overtime, manage changeovers and reduce deductions were reviewed and updated.
- Reviewed and updated Job Descriptions were developed which resulted in better definitions and clarity of requirements of key supporting functions.
- Greater automation of rostering process including companywide guidance on all planned leave management.

Maintenance

- Installed a scheduling tool within existing systems to Plan and Schedule the Maintenance jobs and improve preventative maintenance.
- A new Work Order process was developed and the Stores and Spare parts departments were integrated.
- Productivity key performance indicators (KPIs) were developed as well as a Standard Repair Times and a Skills Matrix to optimise deployment of resources and increase efficiency and productivity. This helped increase fleet availability to meet the demand of Operations.
- New shift structures, visual management and a Supervisory Team were implemented in the workshops based on Peak Vehicle Requirements for both Operations and Maintenance.

Overall

Focus on active management through a defined MCS, including standard Terms of Reference developed for 25 control meetings and KPIs and targets to measure and drive performance. Standard Documented Processes and Operating Procedures were developed.

Results

Operations: Reduction in Overtime of 15% and a reduction in incurred fines of 30%.

Maintenance: Improved productivity by 32%, and an improved and sustained MCS that drives performance and stimulates continuous improvement.

A “NZ Bus way” of doing things across all sites to assist in network wide predictability and reliability.

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 300 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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