

A Better Commute

Bus Queensland is working to improve its services one step at a time as it focuses on future consolidation and enhanced performance.

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- Vernon Alcantra

Established in 1972 by four brothers with just four buses, Bus Queensland is one of the largest privately owned bus companies in Australia, operating a modern fleet of 414 buses in Queensland and Victoria. For over 40 years, it has provided school and urban transport services for the greater South-East Queensland area.

Vernon Alcantra is a business leader in the transport industry. He was appointed as CEO of Bus Queensland in April 2009 and is reputed for driving change management and achieving process improvement through various initiatives.

He started his career as a trainee accountant and went through the various stages of education, development, and growth before winding up in a senior position. He was working for a manufacturing factory and was responsible for reporting on performance rather than reporting on finance.

He realised he wanted something more and took on a very keen interest in the manufacturing,

process control, and efficiency side of the business. When he was asked by his employer to travel to Japan to select a machine for the factory, it proved to be a watershed moment in his thinking.

"The output levels in Japan at the time in comparable factories were much higher, with incredibly lower levels of rework and scrap," Vernon says. "I went there expecting to see the latest machines and gadgetry that allowed this to happen, but was stunned when I got there. The machines were exactly the same vintage as ours back home, some even older. Yet they ran better, broke down less, and took far less time to set up.

"As well as getting the machine we needed, I also spent as much time as I could trying to learn why there was such a gulf in performance of essentially identical factories. It was during this time I learned about process, Kaizen and Kanban principles, prevention versus failure costs, and continuous improvement.

"I also learned a great deal about workplace culture and how essential that is as a foundation to

success. I kept in touch with the factories in Japan and was fortunate enough to be invited back by some of them to learn more in order to ensure my 'personal continuous improvement'. I am a somewhat obsessive person, and, when I returned from Japan, process, methodology, and order became a natural part of how I worked."

This experience allowed Vernon to move away from accounting and into a senior operational position. During this time, manufacturing in Australia was on the decline, but Vernon was determined that what he had learned was applicable not only to manufacturing companies but to any organisation where people worked together and utilised resources to provide any kind of product to any kind of customer. "I have believed in this philosophy ever since, and have worked in a large variety of industries where it has yet to fail me," he says.

When Vernon joined Bus Queensland, he was quick to notice the industry had not yet made the change towards competitive tendering or a purchase panel >



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model, instead working on the basis of renewable contracts. So he set out on the path to change Bus Queensland’s corporate mindset to ensure that if and when the industry took that path, it would be prepared.

“In my experience, the tender process seeks to provide the government procurer with value for money as well as the probity rules require. With my experience in tenders both at home and overseas, the success of such a system is fundamentally tied to the type of product. If the supply is of a discrete product with concrete performance specifications and use, then the system works.

“There is a clear cost and technical-quality dynamic that is irrefutable. This is why for products that have evolving specifications, particularly those with a service element, the tender system usually fails.”

Vernon believes there is a genuine need for ongoing cooperation in the development, design, and delivery of a product. He says partnerships and negotiated contracts are needed in the bus industry, with the key being to produce a quality product at a reasonable price.

To achieve this, Bus Queensland developed a corporate blueprint based on three ideals: safety, customer sensitivity, and process excellence. Underneath this stand eight pillars, and everything anyone does in the organisation must enhance at least one of these, otherwise it is a waste of resources.

“It is a very difficult mindset to cultivate, but we will get there. We also are becoming more familiar with the principle that if you increase prevention costs, and therefore reduce failure costs, the total cost will decrease.

“If we work efficiently, with a safe and caring culture, the cost of

producing the same quality product will decrease. This makes us more competitive and more desirable as a supplier and partner.”

The three aforementioned ideals have evolved along with the cultural and process maturity of the company, while not straying from the core principles. An example of this is ‘safety’, which started as a plan to identify risks, fix them, and foster a culture that ensured sustainability, and then progressed into a strategy to identify what the corporate leaders in safety were doing and set a target based on their experiences.

The latest and current iteration of ‘safety’ is about having an ‘automatic subconscious’ state of living with safety as part of everyday life. “Just like a good golf swing—you don’t have to think about it; it just happens,” Vernon says.

“The same applies to customer service and operational efficiency. Keep focused on the core principle, evolve it to suit where you are in terms of maturity, and weave it into the way you work. Most importantly, make sure everyone in the company believes in the plan.

“There will always be ‘nonbelievers’ in every organisation. As long as they are the minority, you are more likely to succeed; and the way to convert people into being ‘believers’ is for management to genuinely live and breathe the ideals and pillars.”

In the past five years, Bus Queensland has increased its investment in the training and development of staff by more than six times. While Vernon says the base at the start was very low, it is still a clear indication of how the business has altered its approach.

“Our business is simple. We design an efficient network to meet demand. We then take a bus and a driver, put these two precious resources together and send them out to execute the network. While the skill involved in efficient network design cannot be underestimated, it is an empirical exercise that has very strict objectives and boundaries.

“Then there is the bus. Its maintenance and cleanliness, while essential, is well defined and the variables involved are finite. In these two areas, we are constantly ensuring our technical expertise is up to date with both internal- and external-based assistance and training.

“The driver, however, faces a world of unknowns: weather, traffic, other road users, passengers, school child behaviour, roadworks, road design, and even animals. While it is impossible to plan for every single eventuality, we need to ensure that drivers have all the possible tools and skills to cope with this complex and difficult task.”

Bus Queensland’s recruitment process is rigorous, with less than 20 per cent of applicants employed,



compared to 96 per cent five years ago. This is offset by a reduction in driver turnover by a staggering 56 per cent in that same period of time. “By providing sufficient, relevant training for drivers, we ensure they are aware of expectations and are equipped to deliver them,” Vernon says. “This in turn makes it more likely that the passenger will receive a consistent product in terms of driver attitude and competence.

“It also makes the driver more capable of dealing with the often-difficult environment they work in. The more effort you spend on training drivers, the less the failure costs are, and the net result is a positive one in terms of both the customer experience and financial performance.”

Bus Queensland has established key working relationships with local and international industry partners, stakeholders, and preferred suppliers for more than 30 years. Its success depends on its ability to regularly communicate its business philosophy and service requirements to all of these people.

“We encourage and support suppliers to be at the forefront of technology and innovation. Through our strong relationships, we are able to design and specify products specifically to meet



our market. It is therefore important that our product and supply-chain relationships continue to be supported.”

Bus Queensland is looking forward to seeing what the future holds. While the uncertainty of industry contracts is still looming, Vernon believes it will continue to make significant improvements in all facets of the business with a vertical integration strategy.

“This will make us more successful than not in the world of tenders, and competitive in other markets. There is an appetite for growth, and we are confident we have a sound grasp of what it takes to succeed in all aspects of this industry.”

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