

London Central & London General

Improving productivity and service

London Central & London General are leading providers of bus services in London.



London Central & London General (LC&LG) are owned and run jointly as subsidiaries of Go-Ahead Group. They have a combined turnover of approximately £200m, 4250 employees and about 14% of the market.

Market leadership threatened

LC&LG had achieved profitable expansion by winning Transport for London (TfL) contracts. These new contracts have significantly increased the number of bus passengers in the capital. However, market conditions were becoming less favourable: approximately 20% of TfL's business is re-tendered each year and TfL is stimulating competition by encouraging new entrants to the market.

Quick to appreciate the changing environment, the management of LC&LG embarked on an ambitious improvement programme aimed at increasing operational efficiency and accelerating the pace of change in the business. To inject fresh thinking, Tefen Management Consultancy was invited to review depot operations and recommend ways of improving performance and reducing costs.

“Our operational efficiency is always under review and has improved steadily over recent years but our work with Tefen has confirmed that the best can always be made better!”

John Trayner
Operations Director

**Project Conducted by ERSKINE
Management Consultancy**

Tefen Management Consulting

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Identifying scope for improvement

People are central to the performance of LC&LG. Having the right people, in the right place, at the right time, working to the best of their abilities, keeps costs down and service quality up: so this was a key focus of our work.

By reviewing existing operations and undertaking detailed workload modeling we identified scope to reduce costs by improving workforce scheduling and rostering. In particular, weaknesses within the existing contingency planning arrangements were leading to higher than necessary overtime costs.

Our analysis of business processes illustrated how limitations in the existing information systems were preventing managers from running the operation as efficiently as possible and how, in some cases, true performance was being masked.

Managing change

Identifying the opportunity was one thing, the real challenge was finding the best way to change long standing methods: convincing experienced managers to change the way they have always done things.

The approach we took revolutionised the way that LC&LG's operational managers perceive the value of new technology and the benefits of change. By working closely with managers at two pilot depots we developed new resource management processes, supported by prototype systems, and incorporated them into the operations.

These new systems highlighted how managers could schedule and deploy labour resources more optimally and use real time operational information to direct their efforts to maintain service reliability and minimise costs in a fast changing environment. Within six weeks, the results started to feed through to the bottom line.

On the basis of these successful pilots the Board of LC&LG have decided to use Erskine Management Consultancy to support the design and development of new operational processes and systems across the whole business. This work is on-going.

Business benefits

- **Lower direct costs** - the project showed how costs could be reduced by adopting a more analytical approach to workforce scheduling.
- **Improved service quality** - the project showed how dynamic control systems could be used to improve vehicle reliability and service levels.
- **Improved information** - the project identified how better management information could be used to increase efficiency and profitability.
- **Simplified processes** - the project showed how new technology could be used to enable smarter way of working.
- **Business change** - the project was successful in engaging operational managers and building support for wider improvements.