



# Governing for Quality and Performance

*How to deliver customer-centric public transport  
services?*

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# > THE DEFINITION OF QUALITY AND PERFORMANCE



## THE CHALLENGE

**Creating customer-driven public transport organizational arrangements/networks that ensure that customers are at the center of all planning, development and operational decision.**

# ORGANIZATIONAL MODELS

## HIERARCHICAL APPROACH

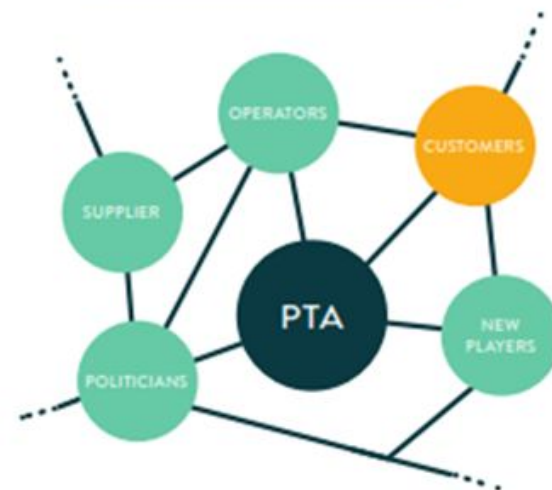


- ▶ Role and Competencies are defined and clear
- ▶ Decisions flow top-down along a clear chain of command
- ▶ The central role of the PTA is assumed
- ▶ Quality is seen as a product

> Close system approach – static in essence



## NETWORK APPROACH



- ▶ Quality is led by the changing needs of the customer
- ▶ The customer is an active stakeholder
- ▶ Roles and competencies are negotiated in practice
- ▶ PTAs are managing a web of relationships

> Bottom up approach – change is the norm

# HOW TO DEVELOP THE NETWORK APPROACH?

**Changing the tendering process and contracting rationale**

# **CONTRACTS OBJECTIVES**

**Coupled with competitive tendering, contracts**

- **rely on detailed specification**
- **Bind parties together**
- **Clearly delineate the respective responsibilities of the PTA and the PTO**

# A RATIONALE THAT PREVENTS TRUST



It is the mechanisms that:

- governs knowledge
- fosters norms such as flexibility, reciprocity, solidarity
- allows innovation



# The Västtrafik Journey

How to develop a partnership  
based on trust?



# A NEED FOR CHANGE...

“Before we had a very difficult relationship, we had this very inflexible contract which made our intention more production oriented. We wanted to focus more on the customers. But we saw that our contracts were not that flexible “

“We saw that we were not reaching our goals this way and we have set very high goals in 2006, or from 2006, for 2020: we’re going to double the travels made with us.”

(Manager of Västtrafik's regional bus department)





# A CULTURAL CHANGE IN THREE STEPS



- **Changing the tender**
- **Developing a relationship with operators**
- **Allowing the business model to emerge**

# ➤ CHANGING THE TENDER

- Consultation
- Competition
- Operators are asked to explain how they will increase the ridership
- Finally prices are considered



# ➤ DEVELOPING A RELATIONSHIP

- **Joint Management Meeting**
- **Local business plan**
- **Goals of the contract**
- **Development of trust**



# DEVELOPPING A RELATIONSHIP

**“We’re learning very much and every time we work on specific projects, ideas, business development, or customer services we learn something from every little part and it goes smoother and smoother every time.**

**I think what we still have to learn more about, and I think this is not something we can do on our own, it is together with the PTA, is to understand what the intention of our partnership is.”**

**(Quality and business developer, PTO)**





# ALLOWING THE BUSINESS MODEL TO EMERGE

- The PTA and the operators develop the service together
- The business model emerges as the relationship develops
- The business model is very much tailored to the local customer needs
- The risks and responsibilities are shared





# ALLOWING THE BUSINESS MODEL TO EMERGE

**“Now we’re coming with ideas, we have to know our market, we have to find more customers oriented public transport solutions and that has also a commercial potential for us.”**

**(Quality and business developer, PTO)**



## TO SUM-UP

- Partnering is a learning process
- In partnership it is the relationship that creates the value
- Contracts support the development of trust, that is it helps Västtrafik and its operators to work together for the customers
- It is about leadership and cultural change





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