

# Strategic Advice for FirstBus

Service Area	Corporate Strategy, Performance Enhancement	Sector	Transport
Client	Firstgroup plc	Date	2-3 Years, 2005-2007



## The Project

FirstBus, the UK bus division of Firstgroup plc, has c. 20 discrete companies (OpCos), a fleet of over 9,000 vehicles, revenues in excess of £1bn and its own Board. A relatively new MD was in place and had the challenge of improving performance both from the financial as well as technical, engineering and regulatory perspectives. The Board saw the keys to success as a more strategic focus, sharpened analytics and more delegated authority supported by strong central expertise, and retained Maddox Consulting to help them achieve this.

## Our Role

Maddox Consulting was appointed to support the above transformation. We worked closely with the FirstBus Board over a number of years, providing on-going strategic advice and conducting a number of specific assignments.

- We designed, developed and implemented a revised and more strategic three-year business planning process for the bus division and rolled it out to the c. 20 OpCos. We advised the First Bus Board of their role in the process, the overall consolidation of the plans into a divisional strategy and the reporting of this to the main Board. In the second year of the new process, we helped make refinements and reinforced best practice.
- We developed turnaround plans for several of the regional and urban bus companies, working closely with OpCos and finance departments.
- We assessed fleet capex decisions and cascades, and in a later phase evaluated the fleet engineering database in order to identify improvements in asset management and maintenance of the c. 9,000 vehicle fleet.
- We advised on the disposal of a major London bus depot including valuation, disposal strategy and evaluation of offers.
- We conducted an assessment of London bus competition and tendering, identified keys to success, and made recommendations for improved bidding for routes.



On the basis of our strong relationship with FirstBus, we also later worked alongside FirstRail on a major franchise bid, primarily aiming to stretch the boundaries of their thinking, and defining distinctive elements of their bid.

## The Outcome

FirstBus adopted a more strategic management approach, based on sounder analytic foundations and improved delegated authority to the OpCos, whilst fleet and related operations became more robust. Building on these foundations, FirstBus increased revenue by 23% and profit by 25% between 2004/5 and 2008/9.