



A SHARED SERVICES PRESENTATION

 **SHARED SERVICES GROUP**

# Change of Business Model

Single Integrated to Multi-Company Railway Business

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# Forward

The presentation will provide some insight from a business process perspective into the journey QR has taken to move from a single integrated to a multi-company railway business



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# Overview

- QR & Environment
- QR's old Business Model
- QR's new Business Model
- Learnings
- Questions



- 142 Years old
- One of Australia's largest transport providers
- Government Owned Corporation (GOC)
- 3 billion a year
- 14,000 staff
- Total Assets of 10 billion
- Operates over 1000 train services per day
- Move of more than 400 000 tonnes of freight
- 60 million passenger journeys
- Open for competition on the 9,500km Network
- Operating in 500 locations



# Our Vision & Mission

- Our vision is **PERFORMANCE**
- Our mission is to *create value through delivering responsive, innovative, rail-based solutions for its customers and stakeholders.*
- Our goals over the next five years are:
  - *QR is recognised as a national leader in transport solutions with **global reach**.*
  - *Our shareholders value QR as a sound **commercial** investment.*
  - *QR's people are recognised for **service excellence**.*
  - *The Queensland Government values QR as the preferred commercial supplier for passenger, network and other rail services.*
  - *Customers are able to achieve their **sustainability** outcomes through the use of QR's services and products.*

# Our Customers & Owners

## **Our owners:**

QLD Treasury

QLD Transport

## **Some of our customers:**

- Queensland Transport (Translink)
- BHP Billiton
- Xtrata
- Rio Tinto
- Anglo
- Westfarmers
- Incitec



# Our Business

- **Freight & Logistics Services**
  - Bulk (10 mil tones a year of Grain, Minerals, Livestock, Sugar, Fuel)
  - Coal (157 mil. tones a year)
  - Containerised (50 Terminals in QLD,NSW&VIC – Logistics & Supply Chain Mgt.)
- **Commuter & Long-Distance Passenger Services**
  - Traveltrain
  - Citytrain
- **Network Access Provision**
  - Telecommunication
  - Narrow, standard & dual gauge rail network
  - Railway Network Access
- **Rail Specific Expert Services**



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# QR's Old Business Model

## Integrated Railway

# QR's old Business Model

Change Program 2002 championed by Chief Strategy Officer

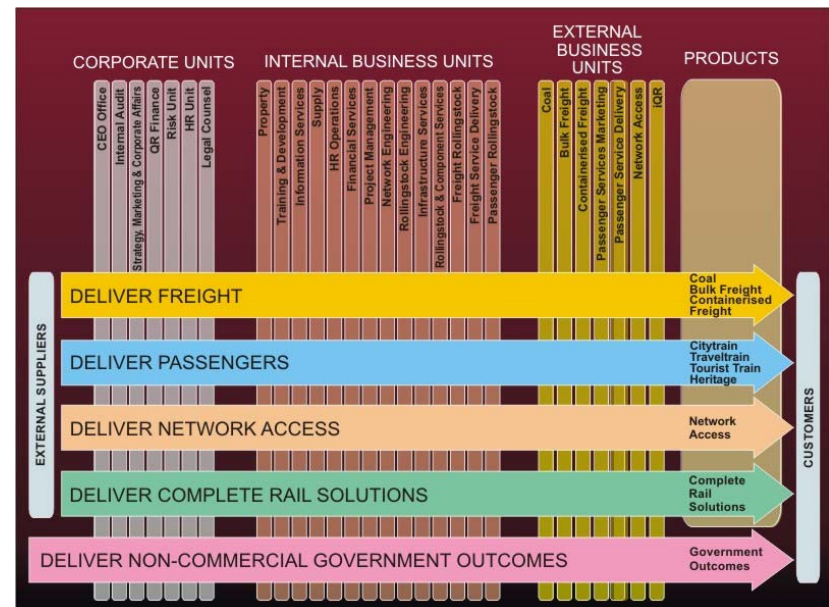
Performance through Governance (Direction & Strategy) – Board & SE

Performance through People – Chief Human Resources

Performance through Business – Chief Strategist & Chief Finance Officer

Business Model Definition:

- Customer Value Proposition was defined
- **Configuration was designed**
- **Service Channels identified**
- Relationship Management established
- Required Capabilities defined
- Cost Structure was defined
- Revenue Model was designed



# Configuration & Service Channels

- **Change of Governance Framework**
  - Change of Business Rules (Policy, Standards & Procedures)
    - SLA, Identified Owners for IT, FIN, HR & LOBs
  - Decision Making Framework
  - Enterprise Process Model
- **Change of People/Culture**
  - New accountability structure
  - Values & Behaviors
  - Performance Management linked to Business Performance
  - Community of Practice (HR, Fin, SLA, Planning, Engineering etc)
- **Change of Process/Systems**
  - Business Process Management Framework (BPI approaches Six Sigma/Lean and BPR)
  - Identified & Defined Services and Products
  - SAPR3 Deployment
  - Partnering and Acquisitions

# Foundation Work

## BP Foundation work:

- Establish & facilitate a knowledge and skill sharing BPM Community across the organisations with the aim of:
  - Common frameworks
  - Common language
  - Networking
  - Gain knowledge & skills
  - Job rotation
- Facilitate the development of the following:
  - QR's BPM Concept (Framework)
    - Fully integrated from strat. Planning into project management
  - QR's BPM Principals
  - QR's BPM Roles & Responsibilities
  - QR's BPM Definitions & Terms
  - QR's BPI methodology
  - QR's BPR/BPI tools
  - QR's BPM Portal
  - Select appropriate Training Providers

## Business Architecture Foundation work:

- Design QR's Meta Model
- Acquire a Modelling Tool (Business & IT Architects)
  - Select Standards & Guidelines and Training
- Set up Business Modelling Repository to capture process knowledge
  - Business rules
  - Administration & Maintenance
- Develop QR's Enterprise Process Model
- Define Business Architect Artefacts in collaboration with all architects – Handbook

# Collaboration Projects

BPM assisted with the following projects:

- redesign the Corporate Planning process (Strategy)
- redesign of the Order to Cash process (Finance)
- redesign Corporate Service into a Shared Services Model (SSG)
- develop the target business architecture for ICT (CIO & CTO)
- redesign the service delivery processes of Information Technology (CTO)
- redesign the Apprenticeship Intake process (L&D)
- redesign the Board Office operational processes (CEO & Board)



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# QR's New Business Model

## Multi-Company Railway Business

# Configuration & Service Channels

## – Change of Governance Framework

- Change of Business Rules to principal based (Policy, Standards & Procedures)
- Total rewrite of the GMF
- New Vision/Mission being defined
- Governance sits with the Board & SE (Board Office)
- Decision Making Framework

## – Change of People/Culture

- New accountability structure (Leadership framework)
- Values & Behaviors
- Performance Management linked to Business Performance (all level of staff)
- Community of Practice (HR, Fin, SLA, Planning, Engineering etc)

## – Change of Process/Systems

- Development of Business Standards
- Development of business management processes
- ERP

# New Business Model

- Based on principals
- Lean Corporate Area (knowledge based)
- Lean Shared Services Area (transactional based)
- Individual accountability

# Collaboration Projects

- Develop & assist in Coals Target Business Architecture (Coal Business)
- Develop & assist in General Freights Target Business Architecture (General Freight Business)
- Develop & assist in Traveltrain's Target Business Architecture (Traveltrain Holidays)
- Develop & assist in Rollingstock Components Target Business Architecture (Rollingstock Maintenance Business)
- develop the target business architecture for Enterprise Risk Services (CRO)
- Advisory Service in collaboration with Internal Audit: redesign of the rollingstock procurement process, QR's program & project management delivery process

# Leading by Example

New business model requires:

- Be Customer focus
- Be accountable
- Network/Communities of Practice
- Know the cost and manage the service (process)
- BPM team operates as an internal consultancy business and applies the same methods to its own processes as it expects others to.
  - Integrated Strategic Plan
  - Business Risks identified
  - Workforce plans defined
  - Budget identified
  - Costed Services (Governance & Consulting)
  - Value Chain defined and modelled
  - Processes modelled and defined
  - Maturity Assessment Framework in place



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# Learnings

# Learnings

- Executive Buy-in to implement BPM principals into the business processes is essential.
- Excellence in process management enables an organisation to successfully align business practices with strategic objectives across the entire organization.
- Excellence in process management provides transparency hence enables an organization to assess change impacts in the event of organizational redesign.
- As a result, functional silos or roadblocks disappear and the organisation is better positioned to satisfy stakeholders-customers, owners and employees.
- Breakthrough performance improvement comes from redesigning work on an end-to-end basis
- The constraints on performance are in the process, not in the tasks
- Working on the white space/handovers and eliminating the non-value-adding work leads to success
- Cross-functionality and teamwork
- Customer and outcome focus
- Design and Discipline

# What remains a challenge?

- BPM Principals have to be driven from the top integrated into the business processes
- Process & systems thinking needs to become part of the culture
- It is the way we do Business, it is not a program or project
- Alignment (Egos)
- Connecting the dots (Education)



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Questions?

