

Developing New Organizational Structures

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Developing New Organizational Structure

- ◆ Why is a new organization needed for new fare systems?
 - Extract more Efficiency with new systems
 - Move from cash processing to data processing
 - Define decision makers in new areas
 - Control over resource allocation for supporting new technologies
 - Improve communication on processing issues
 - Enhance Internal Control over electronic transactions
 - Enhance reporting and analysis capabilities

Developing New Organizational Structure

◆ Goals of Reorganization

- Fewer heads – *consolidate / coordinate management resources*
- Clear understanding of transaction - *build direct experience in tasks*
- More Control on processes – *focus on specific mission*
- Establish clear responsibilities – *remove finger-pointing across depts.*
- Improved communication

Developing New Organizational Structure

- ◆ What functions in organization?
 - Revenue Department
 - ◆ Design fare media or merely sell?
 - ◆ Design fare technologies or merely install?
 - ◆ Design fare policies or merely implement?
 - ◆ Sales – internal and external outlets?
 - ◆ Maintenance – bus, rail, facility?
 - ◆ Transportation?
 - ◆ Processing?
 - ◆ Internal Revenue Control?

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- ◆ Where functions from?
 - Sales from Marketing
 - Maintenance from Operations
 - Revenue Control from Audit
 - Cash Processing from Finance
 - Transportation from Operations
 - Policy Development from Policy / Finance
 - Equipment Design from Engineering

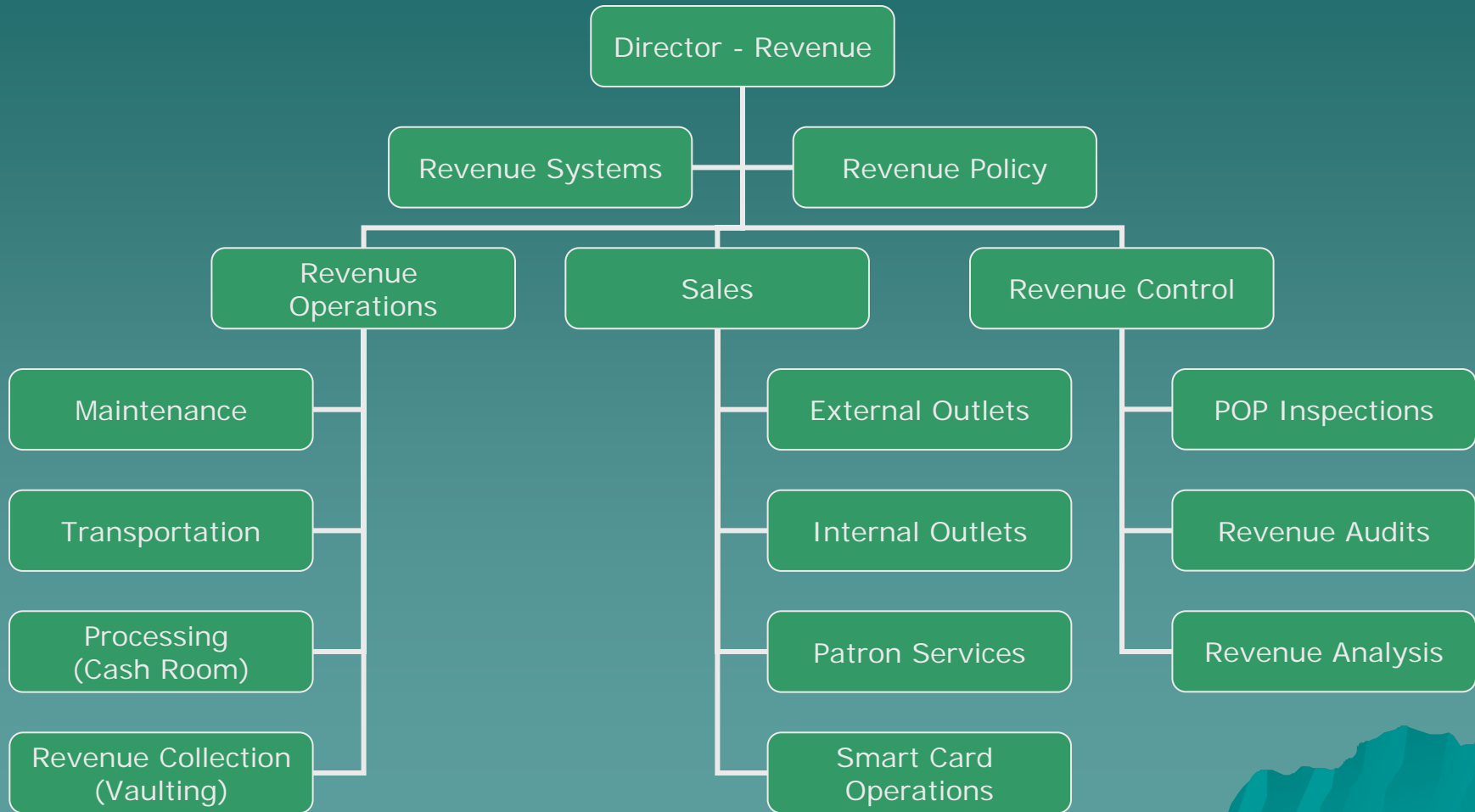
Developing New Organizational Structure

- ◆ How define new structure?
 - Group by mode – bus v rail
 - Group by function – maintenance v sales
 - Group by type of transaction – cash v digital
 - Segregate review from performance
 - ◆ QC or Control Review separate from Operations
 - ◆ System Development separate from Analysts

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- ◆ How implement?
 - Define specific goals
 - ◆ Transactions / Processes to handle
 - ◆ Responsibilities
 - Define Organization Chart
 - ◆ Heads available and sources
 - ◆ Placement considering responsibility
 - ◆ Budgetary impacts – old and new departments
 - Plan assigned resources
 - ◆ Space, Vehicles, Utilities – with sources
 - ◆ Specific persons – with sources

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- ◆ How implement ?
 - Discuss with new management personnel
 - Describe benefits to contributing depts.
 - ◆ More time to focus on their primary mission
 - ◆ Avoid handling / responsibility for money
 - Get all approvals
 - Announce to involved parties
 - Announce to company
 - Execute

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- ◆ Types of change with new technology
 - Fewer heads for cash handling
 - Fewer heads for sales
 - More heads for reporting and analysis
 - More systems management heads

Developing New Organizational Structure

- ◆ Who needed to implement?
 - Senior Management
 - New Group Management
 - Assistance from current responsible parties