# Removal of cash payments at LOCLBus Ltd.

## Overview

LOCLBus Ltd are a bus operator in the East of England, in the UK. With a fleet size of 60 vehicles, ranging from large minibuses to 60 seater vehicles, they are a well known independent operator in the region, second only to the main contractor, First Group who operate the main local authority contracts in the region.

In response to demand from customers and the local authorities who contract LOCLBus to operate key services on their behalf, the management team have decided at a recent board meeting to stop accepting cash payments on all services where customers pay the driver (so not, for instance on school services) and replace cash with card payments and, they hope an App for mobile devices. The board realise this is a huge change for them, as since their inauguration in 1972, the only way they have accepted payment is via cash and it totals £2.7m per year, around 40% of their revenue (the rest being from local authority payments and other commercial contracts).

You have been recruited, due to your experience in commercial vehicles, to project manage this process, from fact finding to roll out of the *first phase* (card payments on vehicles) to the *full roll out* which will cover Contactless card, Apple Pay and Android payments and their App which will allow customers to buy virtual tickets in advance. The current status is that the project has been discussed, and you have some guidance documents from the board, but nothing has been started yet. You are expected to plan the complete process, and write a discussion report which will go to the board in the form of a 2500 written report and supporting documents outlining the key steps in the project.

On your first day in the office, you bring your trusted guide books; *Project Management by Harvey Maylor* and the *PMBOK Guide from the Project Management Institute*. You will be referencing these as best practice and anything else you think is suitable in terms of sources.

You admit to feeling a little overwhelmed by the new job, but with the tools and techniques you have learnt and guidance from best practice, you think ‘if they sent man to the moon’ you can do anything...

**Further information and tips to help you complete and create your project plan:**

1. LOCLBus plan to buy the equipment, that includes card reader, control system and web based storage and part of the project which will be to source a suitable supplier who will partly define the roll out based on their timelines and experience. *A supplier who is of interest to LOCLBus is detailed in Appendix 1*
2. LOCLBus require their own custom mobile app to be developed, this will be branded with the company image and provide fee-free transfer (to the customer) via the different payment methods. They require a plan to be defined, to understand timings and cost for the mobile app development. *A quote has been included in Appendix 2 to help you.*
3. A Risk register will need to be produced to understand the risks to LOCLBus of the project’s delivery phase and the use of the new system in the initial roll-out. *(A template is available in the course textbook and in lecture notes).*

## Key delivery phases

The CEO of LOCLBus has given you the following document which will outline the key phases they believe must be completed, but of course, you are expected to add to these and elaborate in line with best practice as you think is suitable. It will give you a briefing of how the company feel they need to progress and the resources you may need.

LOCLBus removal of cash payments strategy planning document - INTERNAL, CONFIDENTIAL

|  |  |  |
| --- | --- | --- |
| Project Phase | Key People/Person | Details |
| Start up and recruitment | Mike Jones (CEO) | Recruit Project Manager, Build Admin support team |
| Tender Suppliers | Jenny Gooding (CFO) | Working with PM to outline suppliers for equipment, back end services and IT partner |
| Agree Project Plan (Ph. 1) | Board | Sign off for your plan |
| Supply prototype new transaction terminal for vehicles to fleet workshop | PM (You) | Fleet workshop will need access to the hardware |
| Work with fleet workshop to understand requirements for implementation of terminal in vehicles | Hassan Khan (Fleet Manager) | How does this work with various vehicle configs? |
| Test the system in conjunction with cash payments on one bus | You, Bernard Jenkins (Operations Manager) | Test the system out on a typical route for 1 week(?) to ensure robustness, adequate LTE signal for payment system, accessibility to riders etc. |
| Agree system to be used in vehicles | S.King, You, Board | Based on testing, appoint supplier |
| Start App development | N.King (IT Manager) | Software development of the mobile app including the style, design, layout and release to the iOS and Playstore platforms. |
| Agree Project Plan for Ph.2 | Board |  |
| Tender and approve payments provider | J. Gooding | Manage the quotation and suppler selection process, with suitable tender documentation inline with the company standards this will include regular reviews with the management board |
| Start marketing campaign | G.Ward (Marketing Exec) | Signage on buses, in local press and website to talk about the new change, also inform existing customers of upcoming cessation of cash payments |
| Roll out Phase 1 | Operations dept, Fleet Workshop, Finance | Team will be responsible for the complete installation of system into the vehicle fleet and any server related equipment at the workshop, storage and holding locations. |
| Review of Phase 1 | M. Jones | The project office team will lead regular project reviews with each stakeholder (internal and external). There is a project tracker and dashboard that will help to ensure the project remains on the track and forecast |
| Implement Phase 1 changes | P. Anderson | Lead the roll out of the phase introduction of the project, the team will work with the selected supplier and maintenance team for successful delivery. This will include daliy meetings, tracking problems/issues, changes etc |
| Full roll-out | All involved parties |  |
|  |  |  |

**Assignment Deliverables**

You are required to deliver a 2500 word report on “Best practices in Project Delivery for a regional transport provider” This report should detail the approach you will take to deliver the project at LOCLBus and will detail best practice in Project Management, including, but not limited to:

* Balancing cost, time and quality
* Stakeholder involvement
* Risk Management
* Team structure between the three companies
* Plan for strong communications with the selected suppliers and internal team
* Supplier choice and management
* Project management processes and methods to be used (methodology)

You will also additionally need to include, the following (As Appendix A, B, C and D of the report)

1. A Risk Register
2. A Project Plan using the tasks that have been outlined in the internal document included in the case study (and any extra steps you think are needed) - t*his can be in any software you want, but will need to show tasks, task order and dates along with a total project length*. You can assume the project starts on 1st May 2020
3. A Stakeholder Matrix
4. Project charter - one page maximum

This document will need to include references to academic works where appropriate, and any industry bodies (Axelos, PMI etc).

**Appendix 1 - Pole Star systems supplier**

A supplier “Pole Star” has provided a response to the request from LOCLBus for the cashless payment system which outlines implementation timings and phases. Pole Star are market leaders in cashless solutions and provide global customers a complete package including software development, control units and integration with the end customers requirements. Pole Star have recently completed fitting and operating a cashless solution across all buses in Sydney, Australia.

Pole Star have an “off the shelf” solution, but would need a level of customization to meet LOCLBus’ project requirements and have provided the costs as stated below. There is a plan to deliver the project based on their existing technology platforms that includes a mobile app, prepaid cards, contactless and QR scanner for people with travel vouchers.

LOCLBus has asked for a solution to provide customers reduced cost or free trips depending on time of day, events, loyalty scheme and special offers. This type of technology is new to Pole Star and currently there is no capability to integrate this into their existing solution, which will cause additional costs and timing. Pole Star are extremely busy with other customer projects and there is limited engineering resource to implement this functionality and features. Timing for implementation is under negotiation, but LOCLBus management are demanding this functionality is implemented on launch.

The plan is to install the equipment using the in-house maintenance team, who will be split across different sites due to the physical location of LOCLBus and eliminate any effects on the scheduling of the vehicles. Due to the complex system, the IT server will be set up 3 months before the vehicle integration is planned and initial testing to be completed, to resolve any problems before the equipment is fitted to the vehicles. There will be training provided to all the staff of LOCLBus that includes accounts team, bus drivers, maintenance staff and management.

The mobile app will be custom developed with LOCLBus branding and imaging, but Pole Star are concerned on project timing and different management direction on the look and feel of how the mobile app should work. This issue has been raised by Pole Star and logged as a potential project risk and requirements need to be defined, agreed and accepted within three months of the project starting. The aim is to define all the graphical content, layout, styling, design, functionality and operational as a separate project and will run in parallel with the main project. LOCLBus have provided a dedicated project lead to manage the mobile app development.

LOCLBus will communicate to their customer base the move to a cashless payment system and have concerns that some customers will change to other competitors due to the difficulty with payments. Pole Star and LOCLBus will enter into a partnership with an advertisement company to roll out an advert campaign on TV, radio, Internet and social media to inform the customer base on timing and how to pre-paid for the services.

LOCLBus company will start a mini trial with a selection customer base on a single vehicle to gain knowledge and experience, they will use this to ensure a smooth roll out across their complete fleet of vehicles.

Pole Star’s engineering facility is based in California, US with a sales team based in Cologne, Germany. Both companies will establish a project team structure, which will include lead project managers, applications, integration and testing/validation leads. Due to the split global team, formal roles and responsibilities have been defined as Mr S.Wolfgang from Pole Star managing the project and acting as single point of contact to LOCLBus company. The team structure within LOCLBus has yet to be defined, as this is the first time they have worked with a technology company there are some questions about who should lead the team. In the short term LOCLBus the maintenance and service manager Mr L.Smith will lead the project and construct a suitable project team once the project has started.

The aim to provide a phased roll out of the system in different locations and vehicles, there is risk to the system not working and customer problems. Risks include poor quality installation, lack of suitable training to the staff, customers not understanding how to pre-paid for travel credit and payment processing. A risk mitigation plan will be established by the project office team and will be updated within the supplier review meetings.

The following suppliers have provided costs for the system

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Server** | **Control unit** | **Wiring** | **Software** | **Integration testing** | **Total** |
| Pole Star | £803 | £292 | £62 | £8032 | £2922 | £12,111 |
| Dia System | £922 | £123 | £53 | £6404 | £2322 | £9,824 |
| Tri Technology | £1032 | £245 | £66 | £7202 | £3022 | £11,567 |
| AM Solutions | £783 | £353 | £74 | £8076 | £5022 | £14,308 |

**Appendix 2**

The supplier “Ape Software” have supplied the following quote for a mobile app for bus riders:

Dear Mike,

Please find attached our quote for a mobile App for your users to be able to add money to a digital wallet (We support major credit cards and PayPal) and then generate e-tickets that can be read by a QR code reader on the bus to verify they have paid for that journey. If the QR code cannot be read for any reason, users will be able to generate an unique token that can be shown to the driver and noted down for future verification. Our Ape Software “Monkey Rider” App is being used by 7 transport providers in the UK currently and handles £78m of transactions a year. We can of course brand and name the App to fit with LOCLBus if you wish. Please note, you can support users with the system themselves, or we can do this for you and provide 24/7/365 digital support and phone line.

We hope you find the following quote acceptable, and please do not hesitate to reach out to me or my colleague Tony Lewis should you wish to start the ball rolling.

With very best wishes,

Ms. Stephanie Dylan

EMEA Sales

Ape Software UK Ltd

Licence for Monkey Rider for up to 100 vehicles - £27,000

Branding to LOCLBus Brand (Optional) - £5000

Maintenance - £595 per 12 months

User support (Optional) £2000 per 12 months

Note:

Charge to add funds to wallet in the app- 2% of Net Money transfer per transaction (i.e. your user loads £100, we transfer you £98)