

# Cubic Transportation's outcomes-based service success



Service organizations across the globe are painstakingly aware that the historical break/fix service model is no longer satisfying customers. Rather, customers are demanding outcomes – uptime, peace of mind, and results. The adaptation necessary to meet these ever-increasing demands is no small feat, which is why we see plenty of companies struggling to evolve. There are those, though, which have tackled this transformation with steely resolve and are leading the charge in delivering what today's customers want. Cubic Transportation Systems is one such example.

Cubic Transportation Systems (CTS) produces and markets public transport fare reading and payment systems for the transportation industry around the world. If you can't envision what this means, think about the Oyster card used within London. From the moment you purchase the Oyster card, to using the ticket vending machines to add credit, use the card to go through the gates, have the right fare taken from your account, and the smart calculations done in the back office so you are capped the right amount – all of that physical technology and software processing is done through the CTS system.

"Our history of creating and implementing payment and information technologies for the world's most renowned transportation authorities and operators has taught us that to promote progress, you must create collaboratively – with your technology partners and your customers – and foster a culture of innovation within your company," says Matt Cole, President of CTS and Sr. Vice President of Cubic Corporation. "We are committed to not only helping shape the transportation landscape, but are prepared to lead, envision and enable industry disruptors. Our technology platforms are designed to factor in the unknown, allowing our systems today to be relevant years down the road."

This type of company mission and culture promotes the type of transformation service organizations are faced with conquering today. But while company-wide buy-in on this philosophy is a great head start, it still doesn't make the journey easy. When you look at the practical illustration of what it takes for CTS to deliver this sort of innovation to its customers, it takes a significant amount of strategy, enablement, and execution to bring that commitment to life. Mike Gosling, IT Service Platforms Manager at CTS has been instrumental in the company's journey to outcomes-based service.

## Before migration comes mindset

success with outcomes-based service starts with mindset. CTS recognized that its customers were committed to improving the experiences of their customers, which put pressure on CTS to find



## About Cubic Transportation systems

- Processes more than 24 billion transactions annually
- More than 450 transport operator customers worldwide
- Over 60% of public transit rides in US, UK, and Australia are taken using Cubic Systems
- Offers a 98%+ availability rate for service
- 130,000 transit devices installed globally

ways to deliver even higher levels of service – or outcomes. Rather than the historical “call when it breaks and we’ll come fix it,” it becomes a matter of almost-constant uptime. Rather than push back on this demand or remain blissfully ignorant to the shift in customer expectations, CTS adopted a positive mindset and set out to determine what needed to evolve within the organization to be able to meet these needs.

This meant letting go of legacy thinking, and legacy processes. “It’s fairly straightforward to examine your processes and uncover what needs to change, but you also have to consider that you need to examine the legacy thinking that exists within the company as well – that is harder to identify and also harder to change,” says Gosling. “It’s just human nature to want to stay within your comfort zone, and it takes effort to take your entire workforce along on this journey and help them understand why and how things are changing and get them to buy into the mission.”

Gosling points out that while the process of weeding out legacy mindset can be challenging, it’s imperative to success. “Take the time to get to the root of what they’re thinking and saying – overcome their concerns rather than dismissing them,” he says. “It takes bravery to overcome this legacy thinking, but you have to be brave and work through it or it will hold you back from your future.”

### Setting and sticking to success criteria

Once you feel the right mindset is shared among the entire workforce, the next step is to create very clear success criteria so that you can gauge your success or failure in providing the outcomes you’ve promised your customers. “If you don’t have clarity on what success looks like, you’ll never get there,” says Gosling. “The criteria need to be very specific, and realistic but challenging.”

When CTS embarked on the outcomes-based service journey with its customer Transport for London (TfL), the local government body responsible for the transport system in Greater London, the process for setting these success criteria was to carefully examine the service contracts, top to bottom, and set the criteria for hitting those requirements. In this case, the number one criteria is system uptime, followed by three others.

“Once your criteria are set, it is imperative to stick to it – use it as your why,” says Gosling. “There will be plenty of scenarios in which you’ll be tempted to veer off course and make decisions that aren’t tied to the success criteria, but you have to remember that if you set your success criteria well, anything that deviates is a distraction from what matters most.”

### Selecting the right toolset

CTS knew it couldn’t deliver the outcomes customers like TfL expect without relying on technology. “Technology is the path to delivering outcomes-based service,” says Gosling. “Adding field engineers to meet the demands of outcomes is not reasonable – technology is critical in today’s service landscape.”

To achieve its success criteria, CTS relies on IFS Field Service Management (FSM) which manages work orders, parts and assets to contracts, warranty, invoicing and billing. FSM gives CTS much needed visibility of what’s being done in the field. CTS also uses IFS

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Mike Gosling, IT Service Platforms Manager, Cubic Transportation Systems

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Planning & Scheduling Optimization (PSO), a real-time scheduling and optimization software that uses AI and advanced algorithms to deliver the optimum schedule. “PSO is a phenomenally powerful tool,” says Gosling. “It is key to us delivering the outcomes our customers want in the most efficient way possible.”

CTS is also working to integrate Dexda, a machine learning-based event management tool, with FSM and PSO to incorporate IoT data from its equipment and move to more predictive service. “This will allow PSO to respond to events we think are going to happen based on empirical learning,” says Gosling. “Beyond enabling predictive service, however, it will also provide a wealth of valuable business insight on our products that can be fed back to engineering.

### 3 tips for your journey to outcomes

On the journey to outcomes-based service, Gosling has learned three lessons that serve as valuable advice for those on this path. First, remember the importance of change management. This comes at the beginning of an initiative, but all along as well. With PSO, for instance, it was important for CTS to providing ongoing coaching and change management. “With a tool like PSO that self-learns and adjusts, there are times that are gut instinct for a scheduler that’s not accustomed to the technology to want to intervene,” says Gosling. “You have to manage this change and fight off those urges when they aren’t necessary. When manual intervention is necessary, you need to handle exceptions with consistency and document the outcome so that it can be factored into the workflow.”

Second, don’t try to avoid mistakes; they propel you forward. “When you’re innovating, mistakes will naturally occur,” says Gosling. “Making decisions means making mistakes. Mistakes are a learning opportunity that all too often are avoided when they shouldn’t be. As a leader, it’s important to set the example by owning your own mistakes and communicating clearly with your team about what happened, what was learned, and what will be different next time.”

Finally, avoid “that’ll do” thinking at all costs. “This journey is one of continual improvement,” says Gosling. “If you pop the champagne and put your feet up as soon as you hit your success criteria, you’ll fall back below quickly [or you need more challenging success criteria]. When you master one area, you keep watch of it and move on to another. You constantly assess where you are and where you’re going next, and out of this process is where the new innovative ideas are born. But you have to be in a constant state of assessing and looking ahead.”

Since CTS started its journey to delivering outcomes, and with its focus on mindset, metrics, change management,utilizing technology, and continual improvement, the company has improved uptime by 20 percent. Delivering outcomes is the future of field service and it’s inspiring to see a company that has successfully tackled such a major transformation.

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