

People Development

Quality services are the result not just of training our people to sharpen their technical skills in service delivery, but also of instilling in all our staff a sincere attitude which can only come from the heart.

Edmond HO Tat Man
Managing Director



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What is the rationale behind the choice of this year's theme, "Committed to developing our people and delivering quality services"?

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As we are in the service industry, people are our most important asset. It is the Group's strategy to amply invest in developing our workforce so that we can serve our customers better, and this strategy covers not only our frontline staff but also our senior management team. In 2009, we launched a large scale training programme for KMB and LWB frontline staff, which we named "Service from the Heart". This programme was designed by referencing the ever-rising standards of service now provided by many prominent organisations, not just in the transport field, but also in other sectors such as retail, F&B services and property management. Our goal is to provide quality service in line with the best.

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Does the name of the training programme, "Service from the Heart", have any special significance?

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In our core business of providing franchised bus services, it is vitally important that our service is delivered not only professionally but also with passion. We can continue to train our people to sharpen their technical skills in service delivery, but this is incomplete unless accompanied by a sincere attitude which can only come from the heart. I believe the only way we could be distinctive in service is to equip every staff member with the skills as well as the drive to achieve higher standards. Customers are becoming ever more discerning these days; they really can tell the difference.

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What role does the Group's top management play in the delivery of a quality training package?

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Fully appreciating that managerial support is absolutely crucial to the success of our overall training approach, the Group's senior management recently participated in an intensive leadership programme run by the Richard Ivey School of Business of the University of Western Ontario. This programme included a focus on leadership and people management with a view to enabling our staff to perform their very best for the organisation.

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According to what principles does the Group attempt to balance shareholder interest with public interest?

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We consider shareholder interest and public interest to be interdependent rather than mutually exclusive. While the Group is dedicated to looking after the interest of its shareholders, as a franchisee, KMB has a responsibility towards the travelling public by providing quality services. We are proud that we have managed to honour that responsibility for 76 years by providing value for money bus services in a highly efficient manner. This in turn creates value for our shareholders. When the public are happy with the service we provide, we are in a strong position to attract more passengers, which generates more shareholder value.

Interview with the Managing Director

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What are the main challenges facing the Group and what measures is it taking to tackle those challenges?

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The increasingly challenging operating environment presents us with three main challenges: an expanding railway network, surging fuel prices and rising demand for higher service levels. We can respond in two main ways to the anticipated rail network expansion: reorganising routes with low or falling demand, and increasing services on routes with high or growing demand. Soaring fuel costs require us to identify more ways to conserve fuel and improve fuel efficiency. With regard to higher customer expectations, it is as much an opportunity as it is a challenge, since it provides us with the impetus to enhance the skills and service standards of all our staff.

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What strategies does the Group have for securing and strengthening its existing core businesses?

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The Group is always looking at ways to generate more income. In 2009, we launched two new schemes which we are confident will not only capture the imagination of the public but also act as new revenue streams. Firstly, we have introduced bus interior advertising, making creative and aesthetically pleasing use of the space in bus compartments, including ceilings and stairwells as well as the backs of seats. Secondly, we are piloting an innovative type of bus stop pole, lit by energy-efficient LED lighting and fitted with advertising panels. If the trial is successful, we will be looking at expanding the use of such “luminous crystal” bus stops across our network. We also opened the Manhattan Mid-town shopping mall in West Kowloon in March 2009, which is set to provide a steady income stream.

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What plans does the Group have for Greater China?

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With China’s strong growth, the Group will continue to explore viable business opportunities in the Mainland in line with the need to ensure a return for investors. In 2009, owing to a change in Dalian municipal government public transport policy, the Group made a divestment to dispose of its entire interest in its Dalian Co-operative Joint Venture, on which it realised a reasonable return.

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How will the Group handle increasing calls for early replacement of older buses by new Euro V buses?

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Over the years KMB has invested heavily to improve its bus fleet. For example, we have been progressively installing Diesel Particulate Filters (DPFs) on our Euro II and Euro III buses, which has the effect of upgrading exhaust emission levels of particulate matter to Euro IV / Euro V standards. By doing this, KMB has essentially upgraded the emission standards of a sizeable portion of its fleet within a relatively short period of time and in a cost-effective way. Meanwhile, under its regular bus replacement programme, KMB introduces on average 200 to 300 new buses every year, all of which comply with the most up to date emission standards approved by the Government.

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Does the Group have any timeline for introducing more fuel-efficient vehicles such as diesel-electric hybrid vehicles?

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In December 2009, KMB introduced a Euro V 2-axle air-conditioned double-deck bus for trial. Although these buses offer fewer seats, they are lighter and slightly smaller than regular 3-axle double-deckers. Therefore, they use less fuel. Regarding diesel-electric hybrid vehicles, we are keeping an eye on the trials being conducted in London. It should be noted that hybrid buses cost substantially more than regular double-deckers, and the hybrid buses on trial in London are not equipped with full air-conditioning systems designed for tropical and sub-tropical climates. We will continue to monitor trends and developments in bus technologies worldwide and seek to introduce relevant innovations to our bus fleet where technically feasible and commercially viable.

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Does the Group support the development of a bus rapid transit system in Hong Kong?

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In general terms, a bus rapid transit (BRT) system is an elaborated form of “bus-only lane” or bus priority set-up. It can enable bus operators to serve passengers with fewer vehicles, as well as providing better fuel economy and shorter journey times. Given these benefits, many cities in China Mainland have already implemented BRT systems. We will continue to explore ways to introduce this bus transport model to suitable areas in Hong Kong.

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Bus accidents have hit the headlines from time to time. What measures are being adopted by the Group to further enhance safety?

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Safety is simply the number one priority in our bus operations. In 2009, we had a renewed emphasis on further enhancing bus safety through a portfolio of measures. These included using our state-of-the-art driving simulators to conduct immersive training, creating a central database of traffic accident “black spots”, instituting “best practice” daily safety briefings for our bus captains during duty dispatches, and introducing additional measures to not only monitor but also discourage unsafe driving behaviour, especially speeding. With some of these measures already implemented, in 2009 KMB achieved a record low in its traffic accident rate in terms of number of accidents per million kilometres operated. However, we believe that one accident is one too many, and we look forward to introducing even better practices and systems in 2010 and beyond.