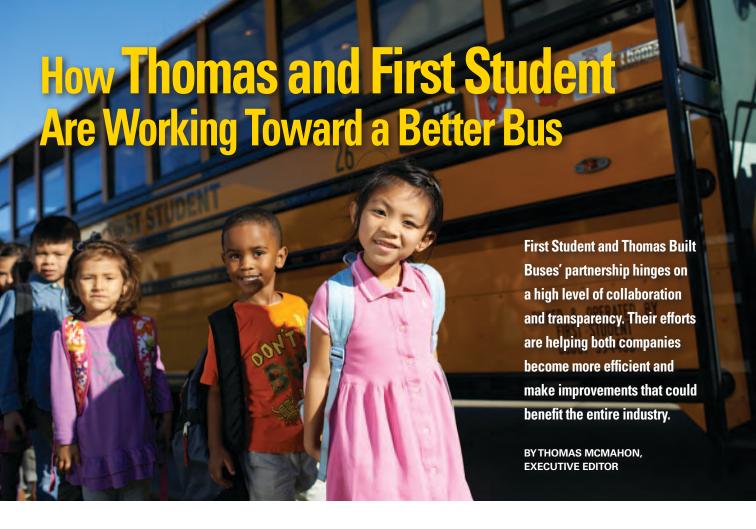
School Transportation Management: There's an App for That





he term "partnership" is tossed around a lot in the corporate world, often meaning little more than "doing business with each other."

But for First Student and Thomas Built Buses, their partnership hinges on a level of collaboration and transparency that goes far beyond a typical supplier relationship.

"We don't just buy buses and then hang up the phone till the next year," says Linda Burtwistle, president of Cincinnati-based First Student. "It's an ongoing relationship."

The partnership — which involves executive-level meetings, joint committees and sharing of confidential data with each other — is helping both companies to become more efficient and to make safety improvements that could benefit the entire industry.

"We share our best practices with one another, ask some tough questions and ultimately improve our relationship," says Kelley Platt, president and CEO of High Point, N.C.-based Thomas Built Buses.

# New procurement strategy

In 2010, when First Student went out to bid for new school buses, the company decided to take a different approach than it had historically. The shift: focus on lowest total cost of ownership instead of lowest acquisition cost.

The company — which is the largest school bus contractor in North America — also decided to seek a procurement agreement that would integrate vehicles and parts.

"With 50,000 buses in our fleet, we spend millions on replacement parts," Burtwistle says. "This is about more than hammering down the initial price of a bus. This is about the entire cost of ownership."

First Student developed a matrix to determine the total cost of ownership of a bus, with factors including purchase price, warranty, fuel economy and financing terms.

Based on those factors, the contractor awarded its Type C school bus business to Thomas Built, which had already been supplying its Type D buses. Since then, First Student has also shifted its Type A business to Thomas Built.

"We wanted to standardize our fleet," says Kevin Middleton, First Student's executive vice president of engineering and fleet, citing the benefits of standardization in such areas as driver training and maintenance. "We have one manufacturer now that supplies our full range of vehicle requirements."

# Sharing internal data

Along with the shift to a greater volume of business between First Student and Thomas Built, the companies made a commitment to increase the flow of information both ways.

"Our partnership is built on trust and transparency," Burtwistle says. "We share confidential data with each other regarding demand and usage, environmental impact, upcoming contracts and legislative changes."

One important part of the information sharing is forecasts. As an anecdotal example, if First Student advises that it is going to replace 30% more buses next year, Thomas Built can use this information to improve production and inventory schedules.

in place, reducing peak work and layoffs," Burtwistle explains. "This should reduce costs for everyone involved."

Another key transparency in the companies' relationship: First Student shares its maintenance schedules and records with Thomas Built, which aids in efforts to increase parts longevity

We share our best practices with one another, ask some tough questions and ultimately improve our relationship.

> Kelley Platt, president and CEO Thomas Built Buses High Point, N.C.

Thomas Built can prepare for First Student's demand, enabling the manufacturer to maintain a steady production cycle instead of having big spikes in the spring and summer and fewer buses to build in the fall and winter.

"An even production cycle can ensure we receive our buses when we need them, and would allow Thomas to keep a steady skilled workforce

and to drive down maintenance costs.

The two companies are also combining their knowledge to come up with better models and processes for school bus replacement.

"We are looking at ways to help fleet managers better assess when their buses may need to be replaced," Platt says. "This will help fleet managers better manage their budget and future plans, but also help us to gain visibility into when new buses are needed in order to maximize the efficiency of the procurement cycle."

# Making a better bus

One of the goals of the partnership is to find ways to make school buses safer and more efficient. Here again, communication comes into play. For instance, First Student gives Thomas Built an extra layer of "eyes and ears on the ground," as Platt puts it.

"First Student provides us with additional insight into what customers are saying, what they are asking for, major issues that are arising and overall trends in the industry," Platt says. "This insight, along with our own internal expertise, helps us pinpoint ways to improve and to ultimately provide even better, safer and more efficient buses."

In addition to executive-level meetings, Thomas Built and First Student collaborate on what they call a "cab committee," in which experts from



both companies sit down and discuss vehicle issues, such as the ergonomics of the cabin and where the driver switches are positioned.

Middleton gives an example of a door switch that was located to the left of the driver, making the driver look away from the door when opening

it. "By including team members from various disciplines, we identify and address improvements at a very early stage," he says.

"We don't want a driver looking to the left when the door is to the right," Burtwistle adds.

Some of First Student's driver trainers have been involved in the cab committee, and feedback from

drivers also feeds into the efforts.

Both companies note that improve-

ments that come out of their collaborations will benefit the wider pupil transportation community.

"These innovations will not be limited to First Student's use," Burtwistle says. "They will be utilized by the industry as a whole ... [and] will benefit our communities and students

through safer, more efficient and reliable buses."

### A new standard

First Student's parent company, Aberdeen, Scotland-based First-Group, has earned British Standard 11000 for its supplier relationship



Thomas Built's Kelley Platt (left) and First Student's Linda Burtwistle say that their companies' collaboration can benefit the entire industry. For example, they are working to come up with better models for school bus replacement.



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management program.

Middleton says that when he talked with his FirstGroup counterparts in the U.K. about the supplier relationship management program, he realized that First Student and Thomas Built were "already well on the road to achieving this recognized standard."

First Student's own supplier relationship program works to keep costs down and to verify that the company is doing business with suppliers that, for example, maintain ethical and environmental standards. It also targets continued performance improvement.

"Both Thomas Built Buses and First Student share a common business philosophy on continuous improvement — both within our own respective companies and within the industry as a whole," Platt says.

An even production cycle can ensure we receive our buses when we need them, and would allow Thomas to keep a steady skilled workforce in place, reducing peak work and layoffs.

Linda Burtwistle, president First Student

There is no current ISO standard on supplier relationship management to recognize partnerships like that of Thomas Built and First Student. But the companies have been advocating for ISO to develop a comparable standard for the benefit of the industry.

"It's a great way of formalizing that relationship," Middleton says, adding that the new ISO standard could be "only a few months away."

# Legislative influence

Thomas Built and First Student also see their partnership as a platform to benefit the school bus industry in the legislative arena. Burtwistle calls this "a logical next step in the partnership."

"We'll work directly through our legislative channels as well as through organizations such as the National School Transportation Association [NSTA] to push the safety and technology enhancements that our customers need and deserve," Burtwistle says.

As an example, Platt says that Thomas Built and First Student worked with NSTA to advocate for a larger federal allocation for Diesel Emissions Reduction Act grants, which support the purchase of new, lower-emission vehicles and the retrofitting of older vehicles.

Platt says that the partnership provides "an excellent opportunity to work together with our local governments to uphold standards that are important to us as an industry."



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