

Movia gets on board with IBM Cognos technologies



Overview

■ The Challenge

Administering the finances of 600 public bus routes and eight train lines in the Sjælland and Hovedstaden regions of Denmark is a complex task for Movia. Even a minor change to one of the routes can affect 48 separate budgets – making it impossible to calculate the budgets without IT support.

■ The Solution

Movia worked with EDB Gruppen (www.edbgruppen.dk), an IBM Business Partner, to implement IBM Cognos Business Intelligence and IBM Cognos Planning – enabling the rapid calculation of budgets and the creation of detailed financial reports.

■ The Benefits

Both regions and each of the 45 municipalities receive tailored reports and budgets – ensuring that the right amount of public money is invested in the bus and train infrastructure. Ultimately, this ensures that the transport system provides a high level of service and delivers good value for taxpayers.



Adding value to business

“When a change is made to a route or a budget in one municipality, it can affect all the others... We needed an IT system that could help us handle these processes effectively and deliver results fast.”

*René Bigandt
Chief Financial Officer
Movia*

Trafikselskabet Movia is the Danish public transport agency responsible for managing bus lines and local railways in the regions of Sjælland and Hovedstaden. The agency employs 300 administrative staff, while subcontractors provide the 4,000 drivers and 1,300 buses needed to operate 600 routes used by 200 million passengers per year. Movia is responsible for the finances of this entire transport network, which has an annual budget of more than 4 billion Danish kroner (550 million euros).

Movia was created as a result of a major reform of Danish local government in 2007, which reorganised 13 counties into five large regions, and reduced the total number of municipalities from 270 to just 98. Each municipality and region is responsible for subsidising the transport services that its citizens use. Movia is responsible for the buses serving all 45 municipalities and the two regions of Sjælland and Hovedstaden, as well as eight local train services.

“Movia needs to be able to provide each municipality with an individual budget for transport, as well as a budget for each region and an overall budget – so that’s 48 separate budgets in total,” explains René Bigandt, Chief Financial Officer at Movia.

“We also need to provide a large number of financial reports throughout the year so that each municipality can understand how its budget is being affected by various factors. For example, on average, passenger fares supply around 50 percent of the funding for the bus services – but if passenger numbers drop, the municipalities need to make up the deficit. Also, fluctuations in fuel prices can make a big difference.”

The difficulty of meeting the budgeting and reporting requirements is further increased by one other important factor. The new municipalities were defined by population rather than area – so many municipalities in densely populated areas, such as those around Copenhagen, are relatively small. As a result, many of the bus routes in these areas run through more than one municipality – in some cases, crossing up to nine municipal borders.

“Calculating how much each municipality ought to pay for its share in these services is extremely complex,” comments René Bigandt. “Moreover, when a change is made to a route or a budget in one municipality, it can affect all the others – so everything needs to be recalculated many times over. Working out all the effects manually would be impossible. We needed an IT system that could help us handle these processes effectively and deliver results fast.”

The budget is not the only challenge. The annual report is also split into 48 separate reports, based on accounts for each individual bus route built up by cost and revenue drivers and divided between the municipalities using a special financing model. This is a huge calculation task that would take weeks without the help of an IT system.

A challenging implementation

Movia drew up a detailed list of requirements and evaluated several different software products, inviting a shortlist of vendors to present their offerings to the in-house technical team. Based on these presentations, the company decided to implement IBM Cognos Business Intelligence and IBM Cognos Planning.

“We had some problems at first because our initial implementation partner didn’t have the technical competence to deliver the solution,” says René Bigandt. “We turned to the Cognos Denmark team for help, and they recommended EDB Gruppen.”

EDB Gruppen, an IBM Business Partner, is one of Denmark’s leading experts in the implementation of IBM Cognos solutions. Working closely with IBM Cognos consultants from Denmark and Sweden, the EDB Gruppen team developed a solution that would meet Movia’s needs.

“In the end, all parties learned a lot from the implementation,” comments René Bigandt. “The project turned out to be more complex than anybody had anticipated, so even the experts from EDB Gruppen needed to develop their competence before the solution could be delivered. We were impressed by the serious commitment shown by the EDB Gruppen team, and now regard them a highly competent full-service partner for our IBM Cognos Business Intelligence and Planning solution.”

The solution has been implemented on six HP servers at Movia’s data centre. Of these servers, two are dedicated to a test environment, enabling Movia to develop the system without affecting production. The servers run batch jobs every night to update the information in the IBM Cognos Business Intelligence system; during the day, when these processor-intensive jobs are not running, the servers can be used to perform specific analytical tasks.

Delivering better public service

IBM Cognos Planning is designed to enable Movia to calculate all 48 different budgets easily, and recalculate them quickly when routes, fuel prices or passenger numbers change. As a result, each municipality and region knows exactly how much funding it needs to allocate to public transport, and can plan other public services more effectively.

“We were impressed by the serious commitment shown by the EDB Gruppen team, and now regard them a highly competent full-service partner for our IBM Cognos Business Intelligence and Planning solution.”

*René Bigandt
Chief Financial Officer
Movia*

IBM Cognos Business Intelligence creates and distributes financial reports for each of the stakeholders on a quarterly basis. This provides greater transparency and helps Movia work with the municipal and regional governments to decide which bus routes are most cost-effective, and whether any optimisations can be made to increase the efficiency of the service.

For analysis and optimization of the bus routes, Movia has developed a special simulation model that enables the company to calculate different scenarios with immediate response. This model makes the dialogue with the municipalities very efficient. This dialogue is very important to Movia because it is the municipalities that order and pay for the bus services.

Looking to the future

In the future, Movia plans to introduce a Web portal to enable municipal and regional government users to access information from the IBM Cognos solution directly. The company will also work on improving integration between the Business Intelligence software and other business applications such as its passenger information system and contract management system. This

“By enabling efficient budget planning and reporting, the IBM Cognos software is ultimately helping Movia deliver value for Danish taxpayers.”

René Bigandt
Chief Financial Officer
Movia

should help to reduce manual data processing and cut administrative costs.

“As we continue to work with EDB Gruppen to develop the IBM Cognos solution, we hope to be able to deliver vital information more rapidly and effectively to municipalities throughout Sjælland and Hovedstaden,” concludes René Bigandt. “By enabling efficient budget planning and reporting, the IBM Cognos software is ultimately helping Movia deliver value for Danish taxpayers, as well as ensuring that the public transport infrastructure is properly maintained and able to deliver a good level of service to passengers.”



IBM Danmark A/S

Nymøllevej 91
2800 Kgs. Lyngby
Denmark

The IBM home page can be found at ibm.com

IBM, the IBM logo, ibm.com, and Cognos are trademarks of International Business Machines Corporation, registered in many jurisdictions worldwide. A current list of other IBM trademarks is available on the Web at “Copyright and trademark information” at <http://www.ibm.com/legal/copytrade.shtml>.

Other company, product or service names may be trademarks or service marks of others.

IBM and EDB Gruppen are separate companies and each is responsible for its own products. Neither IBM nor EDB Gruppen makes any warranties, express or implied, concerning the other's products.

References in this publication to IBM products, programs or services do not imply that IBM intends to make these available in all countries in which IBM operates. Any reference to an IBM product, program or service is not intended to imply that only IBM's product, program or service may be used. Any functionally equivalent product, program or service may be used instead.

All customer examples cited represent how some customers have used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics will vary depending on individual customer configurations and conditions.

IBM hardware products are manufactured from new parts, or new and used parts. In some cases, the hardware product may not be new and may have been previously installed. Regardless, IBM warranty terms apply.

This publication is for general guidance only.

Photographs may show design models.

© Copyright IBM Corp. 2008. All rights reserved.