

SUPPLIERS

# Harnessing technology to manage revenue, costs

**Advances in fare automation and telematics are equipping bus operators with the tools to control revenue and cost streams**

OPERATORS are increasingly feeling the pinch of subsidy revenues failing to keep pace with cost increases, along with maintenance and running costs which have escalated exponentially.

Vix-Questek CEO Tjaart Kruger says that automated fare collection, fare protection and fleet telematics technology can play a significant role in driving profitability. Bus operators have two avenues to look after in the quest to run an efficient operation in order to make money: *revenue and cost*.

On the revenue front, subsidy management (and avoiding any penalties) comes into play, along with increasing ridership numbers. Operators also need to protect the revenue they have earned, by combating fare evasion.

On the cost side of the equation, fleet telematics is playing a growing role. "Costs – including fuel and maintenance – have increased exponentially. Operators need to do everything possible to introduce operational efficiencies to save on cost."

With automated fare collection for revenue protection and fleet telematics to track costs, Kruger says that operators are looking to deal with a one-stop solution provider, rather than piecing together equipment from various suppliers. Integration costs, at times, prove prohibitive.

"We are pushing to have intelligent, interoperable solutions that we can drive, that are fully integrated and that allow for various plug and plays from different third parties," says Kruger. "We can accommodate most third party players in a solution to



**Vix-Questek CEO Tjaart Kruger: automated fare collection, fare protection and fleet telematics technology can play a significant role in driving profitability**

bus operators. Vix-Questek can enhance how operators drive their business in terms of revenue collection, as well as running their costs more effectively and efficiently.

"From a subsidy management perspective, operators need to ensure that their buses are travelling the right routes and that vehicles are optimised in terms of ridership, to avoid half-empty buses. The right number of buses need to be on the right routes, and they need to run on time so that they don't incur penalties."

With 28 years of experience in South Africa, Vix-Questek specialises in the design, development, manufacture, testing and integration of custom products for the passenger transport sector. "There isn't another technology provider with that track record," says Kruger adding that a key strength of the company is its ability to adapt the "superb international technology" to which it has access to local operating conditions. Equipment for South Africa, for instance, has to withstand extreme vibration and dusty conditions that simply are not a feature of overseas markets.

The local operation includes a R&D team and IT engineers able to write code to fix problems immediately. Another benefit Kruger cites is the company's ability to deal with and integrate all the legacy systems still in use in the industry.

The company holds substantial part of the automated fare collection market, while on the BRT front, Pretoria's A Re Yeng employs Vix-Questek systems and Cape Town's MyCiTi operation opted for Vix systems.

The integration of fleet telematics with automatic fare collection systems is well accepted in international markets, but the concept is fairly new to the SA market. Clinton de Bruin, GM of Questek Telematics, asserts that telematics can play a crucial role in bus operations, its reach extending from maintenance,



**Questek Telematics GM Clinton de Bruin: telematics can play a crucial role in bus operations**