



Entrepreneurship

We will become increasingly self-sufficient by continually improving productivity and increasing the revenue/cost ratio on all train services.

Cost-recovery for passenger rail operations has improved dramatically – by more than 120 per cent – over the past 15 years. While results in 2003 and 2004 were less than satisfactory, cost-recovery rose back to 2002 levels in 2005. Revenue growth was a key component in this success, and efforts to increase productivity and develop new, cost-effective business partnerships have also played an essential role.

PRODUCTIVITY INITIATIVES

Employees at VIA have demonstrated their commitment to controlling costs, and recognize the importance of increasing the financial self-sufficiency of passenger rail operations. This goal has been newly incorporated into VIA's performance management and incentive programs, which are designed to encourage and reward good revenue performance and effective cost controls.

Technology has been an important tool for increasing productivity. Automated and online services have proven to be the most cost-effective way to manage reservations, and to provide customers with travel information. Self-service ticketing kiosks in the Quebec City-Windsor corridor, and customer self-service through VIA's web site, contributed significantly to reduced costs in 2005.

VIA is undertaking a comprehensive review and redesign process for its web site, to make it more convenient and efficient for customers to locate information and make travel reservations. And online booking tools are being developed to enable major corporate customers to administer their travel programs directly with VIA.

VIA also introduced automated billing and settlement for IATA-affiliated travel agencies, which has encouraged large numbers of agents to move their bookings online. More and more travel agencies are using the VIA Agency Web Portal to book train trips for their clients – sales through this portal increased from \$2.8 million in 2004 to \$9 million in 2005.

Technology is also helping to increase productivity at VIA's Telephone Sales Offices. An automated call monitoring and reporting system allows managers to measure agent performance against clearly defined objectives, analyze performance statistics, and devote more time for personal coaching and training of staff. A workforce management system has improved demand forecasting and performance management, and allowed for optimal, cost-effective staff scheduling.

Following improved telephone sales systems and online services, VIA closed its Toronto Telephone Sales Office in 2005. This has resulted in cost-savings, while consolidated operations in the Montreal and Moncton facilities will ensure continued, high-quality service.

PRODUCTIVE PARTNERSHIPS

Partnerships are an effective way to develop new or enhanced service for customers, while minimizing VIA's direct costs and associated business risks.

On-board wireless Internet access is a prime example. Wi-Fi service in *VIA 1* class is provided by Parsons Transportation Group, one of the world's largest engineering firms with transportation and communications expertise. Parsons recognized the potential for growth in this area and made a long-term commitment, assuming the risks and costs of providing the network and equipping VIA's trains with the technology. In return, the firm benefits through fees-for-use paid by the passenger. At the same time, VIA attracts and retains more customers, particularly business travellers, by offering them a popular service that adds considerable value to their travel time.

On selected train departures from Toronto to Niagara Falls, on-board activities, wine sampling and cheese tasting were offered to customers free of charge and at no cost to VIA. These activities were organized by partners to promote their own products and services, while enhancing the travel experience for VIA's customers.

Partnerships with tour operators, tourism agencies and associations remain an important means for VIA to help develop Canada's tourism industry, while sharing the development and marketing costs of reaching tourists overseas. For example, the Canadian tour operator Brewster provides VIA with marketing services in China, one of the biggest emerging markets for travel to Canada. VIA benefits from Brewster's international expertise, while gaining access to a key market at a reasonable cost.