

## Entrepreneurship



Entrepreneurial initiatives that maximize opportunities for growth, reduce costs, and achieve a positive return on investment are essential to VIA's strategic plan. VIA has significantly reduced the need for government operating funding through such initiatives since 1990. Over this period, while cutting operating funding by 56 per cent, VIA has also increased the number of train departures in central Canada by almost 30 per cent, invested in modernizing the transcontinental passenger fleet, and increased revenues across the network.

### Investing in growth

VIA believes that it is realistic to aim at achieving full self-sufficiency on all passenger services in the Quebec City-Windsor Corridor, and for tourism services during peak operating periods. If achieved, the government would incur no operating costs for these services.

Capital investment is necessary to reach this objective. In order to achieve self-sufficiency, VIA needs to continue growing revenue and ridership, and this requires equipment and infrastructure that will allow VIA to meet the demand for more frequent and faster train services.

VIA continues to explore options for investing in Canada's passenger rail service, identifying those opportunities which would be most cost-effective, and which would ensure the greatest and most rapid return on investment, while improving the efficiency of the transportation system as a whole. Detailed assessments of these opportunities are provided to the Government of Canada, on an annual basis, for consideration in the development of national transportation policies and initiatives.

### Market-based pricing

VIA maintains a flexible pricing structure that reflects the product value being offered, responds to changing market conditions, and maximizes revenues. In 2003, VIA introduced new features to its yield management system to more accurately forecast demand for full-fare and discount fare seat inventory, with the goal of increasing revenue per mile.

In response to the continuing decline in travel throughout the year, particularly from international markets, VIA shifted advertising and marketing resources to strengthen domestic ridership. Targeted promotions, such as VIA's participation in the "Canada Loves Toronto" coalition, the "Hot Summer Deals Event" plus other specials throughout the year, helped to curtail the effects of

declining ridership. In October, VIA launched its first Web-based promotion to stimulate travel through online bookings for Corridor trains, including connections to and from Eastern Canada.

### Improved asset management

VIA continually explores ways to maximize the utilization of assets, including both the passenger fleet as well as station properties. For example, equipment cycling allows the best use of locomotives and passenger cars. By closely monitoring medium and long-term fleet plans, assets that are not needed in the short term are stored, in order to minimize maintenance costs.

VIA's station renewal program provides customers with more modern and convenient facilities, but also increases the value of these assets to the Corporation. In 2003, modifications to facilities at Vancouver, Halifax, Toronto, Bathurst and other stations across the network have improved ticketing and baggage handling, and increased VIA's prominence in these markets. In addition, a major redevelopment of Halifax Station has generated new tenancy and parking revenues.

### Developing new partnerships

Throughout 2003, VIA explored new partnerships with stakeholders to share the costs, and the risks, of developing new products and services. For example, VIA worked with IATA-affiliated travel agencies to implement automated billing and account settlement, which will encourage travel agents to move more bookings for services across Canada online. In addition, VIA worked with Government of Ontario travel agencies to make large corporate accounts fully accessible through VIA's Web site.

A wide range of new partnerships are either in place or under discussion in regions across the country. For example, VIA started discussions in 2003 with the City of Guelph to develop a new inter-regional transportation centre at VIA's passenger station.

### Reducing distribution costs

Improved telephone sales technology and Internet booking services have helped make VIA's services more accessible to both customers and travel agents, while reducing VIA's distribution costs. Similarly, the self-serve ticketing kiosks introduced in 2003 at major Corridor stations have proven popular with customers, and cost-effective for VIA. Within only three months of their installation, the kiosks were gaining acceptance, accounting for five per cent of ticket sales at these stations.