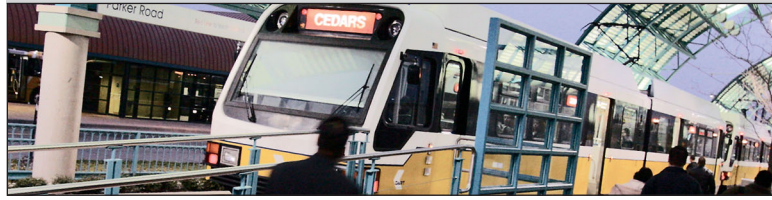


DALLAS AREA RAPID TRANSIT



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— JENNIFER W. PIKE, ASSISTANT VICE PRESIDENT OF THE OFFICE OF MANAGEMENT AND BUDGET

Among the most successful of “new generation” regional transit systems, Dallas Area Rapid Transit (DART) has nearly doubled its ridership since 1996, when it introduced the first light rail and commuter rail projects in the Southwest. Conceived in the early-1980s to counter urban sprawl and an overburdened freeway system, DART has not only changed the face of area commuting, but helped revitalize a near-moribund Dallas downtown as well.

DART offers multiple transportation options to the 700-square-mile, 13-city Dallas metropolitan area, including light rail, commuter rail, bus, paratransit, vanpools, and high occupancy vehicle (HOV) freeway lanes.

Working within an October 1 through September 30 fiscal year, DART typically submits an annual business plan, which includes a budget and financial plan, to its board of directors in August. Unlike private sector businesses, planning at a quasi-governmental entity like DART is not driven by the profit motive, but rather by number of passengers served and cost of service.

According to DART’s Assistant Vice President of the Office of Management and Budget, Jennifer W. Pike, the annual planning process presents a number of challenges. “We have to determine staffing allocations,” said Pike. “We model all of our maintenance staff based on service miles. We do projections of service hours, which drive both our purchased transportation contract and our operators’ pay. Operator pay is a function of the

scheduled hours of bus service and numerous other factors. It’s a fairly complex model that accounts for about a third of our budget.”

While DART uses slightly different planning approaches for each one of the services it offers, the primary drivers are ridership and cost, and the primary planning task is projecting those drivers.

INFLEXIBLE PLANNING TOOLS

Until recently, DART financial planning, budgeting, and forecasting was handled by dated technology. Pike and her colleagues began with a homegrown application on an aging legacy system, then migrated to a client-server approach and implemented an interim budgeting system using a combination of a Lotus® Approach® database and Lotus 1-2-3® spreadsheets. But this solution was decidedly limited. “It didn’t have a great deal of flexibility,” said Pike. “And there were limitations in functionality. We wanted to be able to do what-ifs; we wanted to be able to do detailed cost modeling; we wanted to do budget forecast comparisons; and we wanted a dynamic application.”

So the search began for a new planning and budgeting solution. “We looked at a number of other products,” continued Pike. “A lot of the canned solutions appeared to be focused on revenues and expenditures and standard profit and loss. But that’s not our world. We model passengers, miles, and hours, and while costs

and revenues are important, we are not a standard P&L organization. Since our world is different, we needed something that would allow for those differences and respond to those differences.”

After weighing the alternatives, Pike and her colleagues chose Cognos® Enterprise Planning. “I knew it was what I was looking for the minute I saw it because of what seemed like infinite possibilities and the absolute flexibility of the product,” enthused Pike. “I guess I think of it like a chalkboard or whiteboard, where you could paint whatever picture you wanted.”

METICULOUS MODEL-BUILDING

Cognos flexibility enabled Pike’s team to approach model development carefully. “We brought in the subject experts,” said Pike. “If we were modeling a given area, we asked the subject experts how they look at the data, what approach makes sense, what data is valid, how to measure and collect the data, and what relationships exist among data elements. We sat down with the ridership folks to develop our ridership model. We sat down with the scheduling folks to create the scheduling model which generates the miles and hours that drive our costs, and so on.”

Through the modeling process, Cognos performance matched expectations. “It has a lot of flexibility,” said Pike. “It has a lot of power. It was exciting—kind of like solving a complex puzzle—and we solved some fairly complex ones.”

RAPID REPORTING

In addition to budget and financial reports prepared for its annual business plan, DART generates reports on such key performance indicators as ridership,

service, and costs, as well as an annual financial report to the Federal Transit Administration. Said Pike, “We do budget-to-actual variance reporting. We report costs by mode of transportation, where every accounting unit is allocated out based on an assessment of how they support each mode.”

FUTURE PLANS FOR PLANNING

Over the coming months, DART will roll out its Cognos solution to some 50 additional users. On the agenda is a rolling forecast approach to budgeting. Says Pike, “Our plan is to sit down every three to four months with departments to re-forecast where they are, take a snapshot of the new forecast at some point in time, and that snapshot will be our next budget.”

THE BOTTOM LINE

“For us the real selling point—the real strong point—is functionality. It’s being able to do things we simply could not have done within the time allotted. There is a lot more capability to accomplish things now. The ability to tie various pieces of data together was sadly lacking before. We are already amazed at how last-minute changes in the budget were able to flow so simply through the system.”

Pike and her colleagues have indeed become staunch Cognos supporters. At a recent national conference of transit system finance officers, she recalled, “Two or three people came up to me saying, ‘We’ve heard about Cognos. What do you think?’ And I said, ‘We love it!’”



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