

# **9<sup>TH</sup> CONFERENCE ON COMPETITION AND OWNERSHIP IN LAND TRANSPORT**

## **STRATEGIC ALLIANCES OF SMALL AND MEDIUM ENTREPRENEURS A CHALLENGE FOR THE COLECTIVE MODERNIZATION OF TRANSPORT IN THE CITY OF BOGOTA**

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### ***ABSTRAC***

The public collective transportation of the city of Bogotá is facing a new reality, caused by a significant advance in the urban development, as well as, making progress of the mobility which expressed by the implementation of in a new system of massive transport for the city called TRANSMILENIO.

In response to the challenge that this new urban dynamics has generated, the entrepreneurs of the collective transport of the city of Bogotá have made them aware of the urgent need to modernize their sector, in order to, succeed in being competitive within the new concept of public transport.

This complex process of modernization of the collective transport has raised the need to create new paradigms of business management which include the construction of strategic alliances of small and medium entrepreneurs of the collective transportation of the city. This process has relied on the participation of the academy, local authorities and the support of programs that Inter American Development Bank has been implementing in the area of managerial partnership.

The article on consideration shows the process of modernization that is given inside the collective companies of transports in the city of Bogotá, taking as a main referring the experience of “ Alliance Tránsfer” which considers the construction of new paradigms of

business management, quality of the service, social managerial responsibility and the construction of citizenship.

The principles on which the “Alliance Tránsfer” is getting built are based on a new conception of the urban collective public transport of passengers. “ALIANZA TRANSFER” not only includes the implementation of high standards of planning, operation, management, and quality in the service, but also the commitment in rebuilding values and the managerial social responsibility.

At the same time, “Alliance Tránsfer” attempts to contribute through the development of the collective public service of transport in the process of the social inclusion using it as a tool to fortify processes of construction and formation of the civilian population.

Finally, “Alliance Tránsfer” seeks to agglutinate entrepreneurs through the sum of synergies of the transporters of the collective public sector to constitute themselves in to authentic agents of the social and economic development.

## **1. INTRODUCTION**

The Public Collective Transport companies in the city of Bogotá are in a searching process for structural and sustainable solutions for the complex problematic that today affects in a considerable manner, Business and Market.

Opposite to the reality the sector lives, a group of businessmen aware of the lack of competence to answer to the current conjuncture and the deficiencies found in the managerial management, the quality of the rendering of the service, in the planning process of transport and the operational management decide to establish a strategic Alliance with the enterprise: *Gestión Integral de Transporte*. Gitrans, Integral Management of transport, where the transporters bring the experience accumulated over 30 years in the sector and Gitrans presents the whole technical and scientific support in managerial management, planning and transport operation.

The Alliance is materialized by the constitution of the Transport Service Society Transfer S.A which is composed by 7 public collective transport companies and GITRANS Ltd, It is from here, where with great Synergy it is conceived Al TRANSFER ALLIANCE and Transfer Service. TRANSFER ALLIANCE convince of the urban dynamics the city lives, decides to work on the construction of an integral solution to clear the way for the modernization of the public collective transport that the new dynamics of the city demands.

TRANSFER ALLIANCE is conceived with the intention of giving an integral response to contribute to the new urban dynamics that Bogotá lives in the consolidation of a modern city, productive, competitive, inclusive and socially integrated.

Finally, TRANSFER ALLIANCE opposite to the complex situation our society goes through assumes the commitment to work for the social and economic development of the

communities , for the reconstruction of our values and for the social inclusion by means of the social managerial responsibility

## **2. PROBLEMATIC OF THE PUBLIC COLLECTIVE TRANSPORT SERVICE OF PASSENGERS IN THE CITY OF BOGOTÁ.**

The public collective transport of passengers of Bogotá, within its legal frame is defined as a public service whose planning, regulation and control is carried out by the State. The rendering of the service is mainly controlled by private operators within an economy of market where the State provides the necessary infrastructure for the operation of the service and the regulation.

The public collective transport in Bogotá has been facing a complex problematic where it is combined structural, managerial, technical, operational, social and of quality. The combination of these causes generate a series of impacts and negative externalities on the users, the community and the city, what not only determinates deficiencies in the service, but also the bad image that the rendering of the Public Collective Service of Passengers has in the city.

One of the actors that share in an important responsibility of the problematic of the public transport in the city is the authority in charge of regulating the urban transport. The Secretary of Transit and Transport of Bogotá, entity in charge of: planning, monitoring, regulating and controlling the public collective transport service of passengers. This entity doesn't have an adequate institutional capacity to advance in an effective way its work, which contributes in a meaningful way to the worsening deterioration of the rendering of the service and to deepen, even more, the problematic which the public collective transport Service of passengers goes through. Especially because its inefficiencies are represented by:

1. The existence of an inadequate and obsolete regulation for the collective transport sector which is not in concordance with the great advances achieved by the massive transport system restored recently in the city in a great success as much for the users as for the city.
2. The current regulation doesn't allow the enterprises, in case they have the conditions to do it, to respond in a fast and immediate way to the alterations and transformations that the urban transport market lives.
3. The private interest conflicts which rely on the political support restrain or delay the same processes of modernizing the sector.
4. The competent authority lacks of technical infrastructure to expert suitable controls, that is because, it is presented the phenomenon of informal or illegal transport , called pirate, which hits strongly the mobility, the quality of the service and the finances of the companies legally enabled to give the service.

At the same time, when lacking of an adequate technical area for the planning transport process it is presented the proliferation of routes, which originate the oversupply in the

service, which reflects back directly on the increase of the operational costs, the disloyal competence ``war of the cent'', the mobility, the environmental pollution impacts in a considerable way the productivity and competitive of the city.

On the other hand, the collective transport in Bogotá and in most of the companies, function under the scheme of affiliation which works as follows:

1. The Secretary of Transit and Transport of Bogotá denominated the grantor power, grants the enterprises a series of routes for the rendering of the public collective urban transport service of passengers.
2. The enterprises to give the service in the established conditions by the grantor power requires a determinate number of vehicles, that is, a fleet which could be proper or under the figure of affiliation.
3. The fleet requires of a great investment so the businessmen found the way of not doing such a investment, so it is there where the affiliation figure appears.

The affiliation figure consists of natural people, owners of the buses, from a bus or more offers to collective transport enterprise to entail their vehicles to conform the necessary fleet to operate each of the assigned routes. At the same time, the owners of the buses pay to the enterprises a monthly quote, bearing fee, for the right fee to operate the route.

This figure of affiliation was initially an appropriate solution specially because prevented the companies to rely on big amounts of money to buy the complete fleet which was required to operate each assigned route. Nevertheless, after some time this figure generated a series of problems that worsening to give the service, among others we can mention:

1. The enterprises don't have control on the fleet.
2. The maintenance of the vehicles is carried out by the owner.
3. It was not generated sense of pertinence in the company.
4. There is not control in the quality of the giving service.
5. Most of the times the driver is not qualify to deal with the public.
6. The operational control is defective almost void.
7. The accident levels increased.
8. The pollution levels increase.
9. The affiliation brought as a consequence to the atomization of the property of the fleet.
10. The quality of the rendering of the service is very deficient.
11. Each proprietor is a manager.

Since there are approximately 15.000 owners, we could assert there are 15.000 managers; this disables any efficient administrative exercise as well as the control of dealing with the user. It is important to underline, the public collective companies of transport don't reach to have the 10% of the property of the fleet required to satisfy the mobilization needs of the city of Bogotá.

The scheme of affiliation, equally, affected the managerial development, since it did not allow the companies to evolve and to attend to the managerial development of other sectors and the economy of the country, on the contrary, the affiliation system, caused a great stagnation and backwardness in the sector.

The inefficiencies that the sector presents, nowadays are explained by the scheme of management adopted which is characterized by: the lack of management modern techniques, it doesn't exist information systems, it is not worked in terms of the profits of results and management indications and it is presented total absence of the operational planning process of transport. The previously announced, it is not the cause of the problem, of the sector, but rather the consequence, of an administration based on the familiar succession as an indispensable and sufficient to perform the administrative management of the enterprises, which not only produced mistakes in the administration of the companies but they were marginalized from the managerial advances, administrative and technological, what it is even worse it did not allow to go deeply in to the real needs of the market.

In this way, the managerial management began deteriorating and with it the business service, the market and the sector, with the already known consequences for the productivity, competitive and profitability of the enterprises.

In addition to this, The crises of the Public Collective Transport of Bogotá has generated a series of negative externalities that have interfered in the Urban development of the city generating a series of disordered patterns of growth, increasing the accidentally levels, vehicular jams and pollution. Besides, the users have been affected directly due to longer hours of travel.

### **3. TRANSMILENIO MASSIVE TRANSPORT SYSTEM: HISTORICAL BREAK OF THE URBAN TRANSPORTN OF PASSENGERS IN BOGOTA.**

In the decade of the 90s, the Administration opposite to the chaotic situation of mobility the city was confronting the city began working on a solution that after studying several alternatives got to define what today the massive transport system is, TransMilenio which began its operation in 2000, representing a historical break of the public transport of the city.

The system marked a new and positive paradigm in the urban transport of passengers in Colombia and in the construction of a new concept of city where it was suitably articulated the urban planning and the transport planning. However, it is necessary to give more importance to the social planning, without this factor is almost impossible to achieve a city socially integrated and harmonically organized.

The TransMilenio system impulse positively the development of the sector presenting a series of vital elements for the development of the Urban Transport among the others we have: Transport planning, managerial management and the operational performance and control in tune of the market behavior.

From this new and successful concept of public transport, now named massive transport, the Collective Transport of the Bogotá confronts and faces the dilemma of modernizing or disappearing which obligates the collective transport to assume the modernization that the city imposes in a serious and responsible fashion.

Therefore, to advance in the continuity of the construction of the project of a modern Bogotá, competitive and productive, the massive transport system is not enough, it is precise the city also relies on a public collective transport system planned, organized, technified and articulated with other urban transport systems for it is required the harmonic and participative work of the Public management and the Transport entrepreneurs, and it is from there, the Alliance of Transport Service Transfer SA directs its work with the object to give an answer to the new reality the city and the urban transport of passengers lives consequently, in an integral outlook of its trade name Transfer SA. it is explained the need to work together with the transport authority with the transporters, in the construction of a modern Bogotá : competitive, productive, inclusive and socially integrated. Contributing among others to generate employment and to bring new postulates for the construction of a new collective managerial culture of transport, attempting to improve not only the quality standards, but also the productivity, efficiency, equity and the social transference for the collective transport users

#### **4. THE PUBLIC COLLECTIVE URBAN TRANSPORT SERVICE AN ESSENTIAL ELEMENT FOR THE CONSTRUCTION OF A SOCIETY AND PROMOTION OF THE SOCIAL DEVELOPMENT OF THE COMMUNITIES**

If we review the way the rendering of the public collective transport of passenger service has been focused in the cities, we can observe there is a remarkable preference to approach topics related to regulation infrastructure and technology. The solution to the problems of the urban transport passengers live, are directed towards these topics which are really important and respond partially to solve the mobility problem the cities comfort. Nevertheless, the solution to the mobility in the cities should be integral, that is, it should consider these aspects: Technical planning, of the sustainability, social, environmental and economic.

As it was mentioned before, since the solution requires to be approached by a holistic perspective that integrates as a priority element the passenger as a human being and not only as a merchandize this without loosing the objective and last aim of the transport which is to mobilize people. So, the efforts will be directed to the given service and they won't be directed to the last aim which is: the human being.

Therefore, TRANSFER ALLIANCE plans all its move giving a service of high quality centered on people where it is searched to claim the dignity of the public transport user offering a service base on a worthy and respectful treatment, thus, generating healthy spaces of coexistence and favourable conditions to improve the citizens relations.

In this way, there are created and promoted sceneries where the person and the community can find suitable scopes to attend to their own development, the construction of community, society, city and country.

In fact, the urban transport performs o vital function in the city because becomes in an instrumental of integration and social spatial inclusion, TRANSFER ALLIANCE aware of this great kindness the transport offers will use this tool and will shape a mobilization net with a wide coverage in the city in a sense that all the areas get connected and the whole social stratum gets integrated, breaking in this way the social segregation.

In synthesis, it is intended through a profitable business help to create the necessary social conditions to transform the transport sector as an instrument of development for businessman.

## **5. STRATEGIC ALLIANCES AWAY FOR THE MODERNIZATION OF THE PUBLIC COLLECTIVE TRANSPORT**

The world economy of the decade of 90's has gone into a deep process of change that promoted the creation of a planetary society in which the borders tend to disappear in open economic and interdependent circuits. This process has been creating a new economy typified by the freedom of the markets, the monetary fluctuations, the technological innovations, the strategic alliances and the creation of big political-economic units which have made the competence more efficient.

As all the economy sectors, the transport and specifically the public collective transport has been subject to the influence of these new realities and from that point has merged the need to reorientation it to face those circumstances that are now synthesized in the concept of globalization. It is undoubted that the current conjuncture the public collective transport confronts of the development countries has taken the businessmen to look for new directions and horizons therefore, the entrepreneurs are getting close to give an important step towards modernization.

The first step given this sense was the constitution of strategic alliances. However to be the modernization viable it should considered and combine in an integral and harmonic way the social, the urban , the economic, the technical and environmental aspects.

The modernization in a wide sense of the concept requires to embrace the exploitation of scientific-technological advances including managerial management polities with the intention to respond to the requirements and needs that the connivance and civil integration

claims, establishing priorities to the agents and addresses of the transport service and the means of transport which should not lose their last aim which is to transport people.

In this sense TRANSFER ALLIANCE conceives a new approach of the public collective transport of passengers in which pretends to work on personal and social potentialities of those who take control in the process to achieve a better service and a better city. Beside, it considers the person as a cause and last aim of the transport and the vehicles as the essential means to give an excellent quality service.

The group of businessmen man to conform TRANSFER ALLIANCE, are conscious to face the new challenges of re-defining and modernizing the public collective transport sector, the indicated diretrix to follow the establishment of Alliances. This is a new managerial conception which will allow the small businessman to be able to survive, to get consolidated and situated in a market of services each day more competitive, internationalized and centered, so businessman have perceived to maintain their business under criterion of competitiveness it is required the union and sum of synergies, experience, capital, technology, social pressure and political support etc.

In terms of the operative and technological areas the consolidation of strategic alliances of the companies linked to the public collective transport, they offer countless competitive advantages, for instance, the operational integration topic, the integration, of the company allows the operational efficiency achievement through the planning and integration of services, optimizing the available resources of each of them and producing the sum of synergies that create value and produce an increment of the competitive, productivity and profitability.

One of the most important benefits which is obtained by strategic alliances is the consolidation of the alliance market, which represents an important added value for the enterprises since assure their permanents and positions in the market.

At the same time, the alliances allow to strengthen the structure and financial sustainability or the business, which at the same time generates great opportunities for the development and the investment of the new unities of business tied up to the production line of the public collective transport or service of passengers. The Alliance is created and strengthen the structure an managerial management, generation a new managerial culture with the incorporation of modern managerial tools and the use of new technologies which make them more agile and dynamical and response to possible alterations or modifications that the market experiences.

Finally, the strategic alliances in the public collective transport strengthen the organizational structure and facilities the corporation of the production for the transport service, which finally brings as a result the constitution or creation of real and authentic operative transport companies, generating the managing of economy scales, improving the dealing conditions, the service and the quality of the employment that the sector generates.

## **5.1 TRANSFER ALLIANCE: a new managerial alternative for the public collective transport service of Bogotá.**

TRANSFER ALLIANCE was established with the objective to give an integral response to the modernization that the new reality of the city of Bogotá claims. Therefore, the Alliance was conceived as an integral solution that contemplates an operational design, a financial model, a social intervention model, social managerial responsibility model and a proper organizational model.

In this conception TRANSFER ALLIANCE compromises itself to work on the construction of a new city; modern, productive, inclusive and solidarity, in which the social objectives are as important as the economic ones, since, if wealth means abundance of goods, these can also be scientific, technological, ecological, environmental, ethical, social, spiritual and cultural. In this order of ideas, the alliance considers that experiencing all these values in the society favors the development in which transport is not foreign.

TRANSFER ALLIANCE with high management and productivity criterion, assumes the responsibility to first work on the construction of the future to make more human the transport system every day, reducing the displacement times without generating damage to the security and comfort, contributing to improve the citizen's life conditions to increase the productivity and to take advantage of free time, that is to say, our purpose is to contribute to our generations and the next ones collective wealth.

TRANSFER ALLIANCE is constituted by small and medium companies of collective transport which have answered affirmatively to the new modernization challenges of the public transport of the city, it has been initiated a structured and planned process that tends to achieve the transformation of paradigms traditionally handle by familiar companies, the generation of mutual trust among the different actors, exceeding the particular interests with the intention of consolidate a collective process to generate collective wealth, it requires a adjustment process and evolution. Therefore, TRANSFER ALLIANCE, and its enterprises of collective transport are assuming the challenge to work on the modernization of the sector, through the construction of new models of administration, organization, operation and planning.

These are some of specific objectives the alliance looks for: integration of the enterprises, quality of the service, complementarities, among the different elements of the sector, sustainability of the companies and ordered inclusion of the collective transport in the service of public transport in order that incentive the economical activity, social managerial responsibility, the competitiveness and well being of the citizens of Bogotá.

The principles that inspire these objectives and the reason of being and exist this Alliance are base on:

**The democratization of the property:** To offer a quality service it is required to have a total control on the fleet, without excluding the small businessman. Therefore, to avoid the concentration of the property of the alliance is only under the control of the enabled enterprises to give the public transport service, the alliance is coherence with its approaches of social order, designated to the small owners 30% of actions of the TRANSFER ALLIANCE service.

**The social managerial responsibility:** The social objectives of the alliance so much at the interior of the alliance as towards the community, represent an innovative and decisive contribution in the design of the integral model of transport, model which is sustained in the social and considers as structural and complementary elements the operational, the technical, the organizational, the financial, and the environmental.

**Social Real Transference:** In order that the social postulates don't remain in speech the alliance generated a real mechanism of transference for the social investment, which consists of a contribution of \$ 2 for passenger transported per day. Funds in which the Alliance worker's will get benefit the first stage and the communities where the Alliance's routes pass later, generating through the direct investment in the communities a civil auto management dynamics, social transfer and collective responsibility. The creation of this mechanism of social transference called the attention of the Inter - American Bank of Development- BID, to whom it is studying the creation of an institution for the encouragement and support of the public collective transport of passengers with the contributions assigned by the social transference sector and resources given by the BID social transference. These contributions belong to two types: no refundable resources and refundable ones or credit lines with preferential rates favourable days of grace and comfortable periods of payment.

**Managerial commitment to make the businessman an agent of social an economic development of the city,** The Alliance with the scheme and the mentioned resources in the previous numeral, tries to give an effective, concrete and real commitment to work for the social and economic development of the zones and communities where the assigned routes by the competent authority pass, in order to do that, the Alliance relies on a social intervention model that allows to promote the improvement on the life quality of the workers, the users, the communities which compromise the routes on which the Alliance gives the public collective transport service of passengers.

The urban community in general has not been conscious enough on the impact of the transport in the social life, this force in the exploration process, represented by several companies that begging working for the efficient integration of their resources, represents in a big proportion the improvement and commitment of the development of the city.

**The integral human promotion of the civil functionaries:** Transfers fundamental prop is to work integral and harmonically for the development of the person, generating a new collective transport culture constructor of society, of city and country. Under this perspective, the alliance seeks to propitiate a positive impact in the relations of the different agents that interact in giving the passengers transport service that is, enterprise- worker- community user and society-city, in such a way to advance in the construction of a better social net and strengthening the spaces of civil connivance.

This purpose will be achieved by means of programs directed to improve the quality of people's life in their essential dimension spiritual, intellectual physical, labors and familiar.

**Generation of worthy conditions of work:** it performs vital importance to offer the workers a worthy and healthy environment to work since the work conditions at work are an important factor to make the worker feeling as a part of the company and contributes to the attainment of the objectives that are planned. At the same time, it offers to its workers labor days according to the current the procedures of the labor legislation. It is sought to guarantee the operator, during his day's work has 100% of his physical, psychological, and intellectual capacities, to respect their periods of resting generating free time in order to attend his family and has time for his necessary scattering.

**To appropriate a high social commitment with the city** through giving a good collective transport service with excellent levels of quality based on the concept people's well- being and the communities that get constituted as a truly instrument of social integration.

**To work actively on the environmental protections** of the city, this implies to designing training programs for the drivers for a performance that protects the environment, using technologies that diminish the emission of contaminated particles of the environment and that prolong the useful life of the inputs.

**The usage of science and technology** at the administration operation, organization and planning of the different processes that construct the enterprise, for the suitable rendering or the transport service.

**Professionalization at all levels** of the company, to the achievement of results at the managerial management considers indispensable to be able to have professionals with excellent levels of knowledge and preparation in the different areas of their activities.

**A suitable management of risks and accidentally:** TRANSFER grants the privilege the fundamental right of life through the sensible capacitating and formation of the operator's service the Alliance will rely on complete program to fulfill the transit

norms. the skill and prudence of the fleet drivers will be decisive to avoid accidents, give security to the user, respect the pedestrians and also to those who share the routes.

## **5.2 New Public Collective Transport Service for Bogotá: Transfer Service**

Transfer's structure is based on the construction of a net shaped by routes that belong to the collective transport companies that today shape the alliance. The net relies on a great coverage in the city, in the spots where it is intercepted the assigned routes, the users could make transfers inside the system supplying the user's needs in terms of his final destination and the conditions the desired travel. The purpose of Transfer's service is to improve the quality of the service offering transferences and increasing the mobility of the users at a low cost, which means that the mobilization of the passenger inside the net that conforms Transfer does not have an additional charge. Since the service costs 48 cents of dollar, giving the passenger to use the transference service among the Alliance's vehicles.

A great advantage, especially for the developing countries, is that Transfer Service for its operation and implementation does not require a costly investment in the infrastructure, in the massive transport model the major cost of the investment is given by the construction of a vial infrastructure, due to the technical specifications of the vehicles that use the massive system requires some roads with special structural designs, whereas they collective transport model planned by transfer uses the existing vial infrastructure, it is only required the construction of transference stations are located in the spots where the routes that conform the net get intercepted and the patios or operation will be located in a strategic form, preferentially in the extremes of the routes, in which it will perform maintenance works, technical support and parking.

**Centralized Collection System:** Transfer will rely on a modern centralized collection service which will allow the driver to get only concentrated on driving the vehicle, as well as liberating him from the heavy function of selling tickets. The collection system will count on, the access of the vehicles of transfer service, with equipments of intelligent cards of validation which transmit the information, real time to a central service which has a software that allows to supply information which will be fundamental for the operative administrative system the passengers movements and measuring other variables.

**Benefits of Transfer Service:** The companies that shape TRANSFER ALLIANCE have as one of their main purposes to consolidate the collective transport through giving a service that satisfies the user's needs from a high level of quality and efficiency giving the possibility to enjoy the great coverage of destinations with the payment of only a fare.

The following are some of the advantages the users, and the city in general will have when the Transfer Service begins operating:

1. Multiple destinations paying only a fare
2. Transference without extra charge

3. Major accessibility
4. Quality in the service and reliability for the control on the operation
5. Security on the service
6. Driver highly qualified and trained
7. Contribution to a new civil culture though
8. The presentation of a service based on a worthy and respectful treatment
9. Direct contracting of the drivers
10. Centralized collection service
11. Adequacy and utilization of new technologies in terms of collective transport to benefit the users of the city
12. Transport planning in terms of programming efficient usage of the fleet to decrease pollution and taking care of the environment
13. Control and administration not only for the fleet but also for the drivers in benefit of the users and the city increasing the competitive productive level in the urban economy in general.
14. Generation of employments 880 direct employments and 1670 indirect employments.
15. Creation of a service assigns to turn into a valuable instrument of social integration.

## **6. NEW MANAGERIAL CULTURE OF THE COLLECTIVE TRANSPORT SUSTAINED IN MANAGEMENT KNOWLEDGE**

At the current stage of the public collective transport of Bogotá, there is not doubt, the companies present inadequate levels of competitive, which is reflected on the deficient quality or the service and the bad image the users and citizens have on the collective transport. In the current economic context is a reality that business structure is changing due to the globalisation or internationalisation of the economy and the public transport is not foreign to this a new reality, on the other sectors of the economy of the country it is observed deep changes in the organizational and managerial dynamics of the companies product of the high degree of competition on the market, however in the collective sector of the transport it is observed a big resistance to the change, only a few transport entrepreneurs understand the impact that these big transformation have had on the national economy and also in the collective transport which is an advance, in spite of its shy response to the challenges that are glimpsed.

In this sense GITRANS, the direct responsible of designing TRANSFER, has been very important as an agent of the conscientization process of the small businessman and generating alternatives to his crises, at the same time it has constructed innovative models and alternatives according to a new managerial culture with the intention of giving an opportune response, which is efficient, productive sustainable and socially enclosing, to businessmen and small businessman owners of the collective public transport of the city, which is strongly affected by the implications the big transformations brought in the world and in the national economy and also for the devastating impact generated on the collective transport market the presence of the massive transport.

Nevertheless, opposite to the previously exposed, it is clearly perceived that the capacity of reaction of the collective transporters have been very low capacity of reaction almost void. This is explained by the familiar administrative structure in which most of the companies are supported and with a few exceptions make them very inefficient. This managerial lag is sustained in the fact that the companies of public transport, based on this administrative scheme did not accompany or are not even accompanying the advances or development of the other sectors of the national economy with the rapidity the changes are happening, the presence of the competition on the market, as it is the Transmilenio case.

In this context GITRANS a long with a small group of visionary businessmen of collective transport, conscious of the collective transport needs and of a new managerial approach in the sector that allows them to accompany and react agilely the alterations presented on the market, they got allied in order to establish TRANSFER, and to create and implement of the service, that allows to face: The current conjuncture of loss of the demand, corporate lag, the new competitive challenges and the risk of the existence itself of the business.

Under this situation is that TRANSFER ALLIANCE raises the construction of a new managerial culture of collective transport sustained in the management of knowledge. The collective transport businessmen are been aware of that knowledge also in the opportune appropriation of the information that is needed for the success of their business.

The new scene that the collective transport businessmen of the country confront and their lack of reaction of capacity generates a serious threat for the existence itself or their collective transport companies as Prusack and Mc Gee (1994) affirms “The information increasingly will constitute the base of the competition specially in the services area...” so it also considers that: “The information more than the land or capital, will be the motive force in the creation or wealth and prosperity..”

According to Porter (1997), no company manages to escape from the effects of the revolution of the information because it is affecting the competition of three vital ways; it changes the structure of the sector, on having done it, alters the rules of the competition; creates competitive advantages, providing the new companies forms of overcoming their rivals and it gives origin to completely new business, frequently, beginning, inside the already existing operations in the company”

If we have in mind the importance of information in the current scene of the business world, the competition among the companies is based on the capacity to acquire, to generate, to try, to interpreted, to analyze and to use the information in a effective way, for this reason it can also be possible affirm that information turns increasable into the base on the base on competitiveness. In effect, by means of the dynamical treatment of the information the company will be in conditions to elaborate strategic getting converting this way in a source of equivalent importance to other resources as the capital, the manpower and technology. Prusack and Mc Gee (1994) affirm that “to elaborate the meaningful strategy means to

identify as a company will be able to stand out among the competitors interims of the definition or services/products or create economic advantages sustainable of scale...”

In this context, the transport businessman confront a new managerial challenge, that is because the management of knowledge, sustained in the administration of the information, turns into the most appropriate tool to face the best way the competition is presented today on the sector. With the strategic management of the information is generated an added value and competitive advantages for the enterprise.

According to Casas (2000) “ the knowledge, analysis of the parameters and trends of the market of collective transport perform a vital importance for the enterprises today”. Aliance Transfer for this reason finds in the intelligences of markets the most suitable tool to know with depth the collective transport passengers market therefore. Alianza Transfer will sustain its new managerial style with the use of the intelligence of markets and the competitive intelligence tools which are based on the strategic treatment of the information and that allows the integral knowledge of the market and the behavior of the different agents that intervene line production of the service of the public collective transport passengers of the city with the intention to answer rapidly to the requirements of the market.

## **7.TRANSFER AND THE SOCIAL MANANGERIAL RESPONSABILITY**

The public collective Transport entrepreneurs linked to TRANSFER ALLIANCE conscious of their responsibility in the construction of a better country and in response for the new dynamics that Bogotá city lives assumed the challenge to work on the construction of new paradigms at the service, the managerial efficiency and the social responsibility. For TRANSFER ALLIANCE is very important to develop, with all its potential, the principle of social managerial responsibility with the purpose of impulsing the institutional, personal and social energies for the sake of the common well- being of the citizens and communities.

The BID defines social managerial responsibility as: “The practices of a company that try to avoid damage at the same time that try to avoid damage at the same time that promotes the well- being of groups of interest having respected regulations and in force procedures and going voluntary beyond the required” The SMR looks on its nature to improve the quality of life of the population.

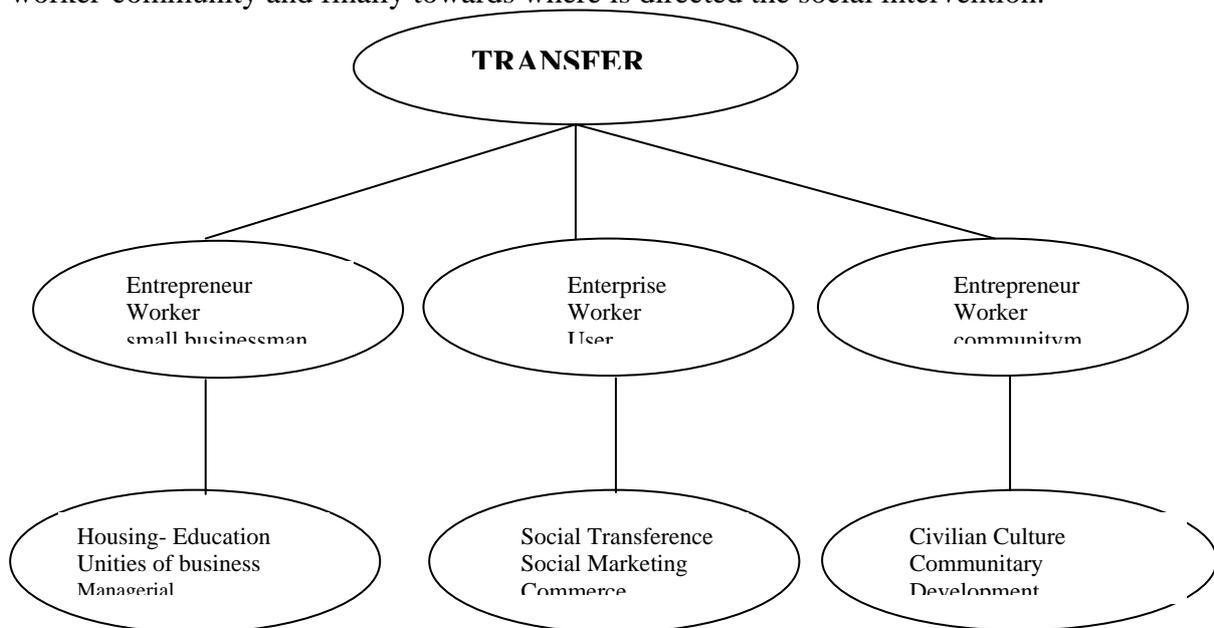
The vital principle of the SMR is centered on the active participation of the private sector for the sake of the development of governments and multilateral institutions. TRANSFER ALLIANCE is new model of enterprise management promises to participate and to work actively on their employee’s well-being, the community, the environment, the users and other groups of interests, with Transfer’s implementation it is helped the generation of work sources and the payment if the obligations emanated for the Tributary legislation, however the Alliance has a more ambitious scope to contribute to the private socio- economic sector and the development of the city.

Do to this, the Alliance opposite to the complex problematic the city confronts and the country, it decides to assume a more dynamic role, stopping being a simple passive spectator to be an active actor in the solution of the structural problems that affect the normal development of our society, such as: poverty, the unemployment, the insecurity, the loss of values, the process of displacement and social exclusion, and the increment of violence indexes.

This role of the social responsibility in the Alliance it is concreted specifically through the contribution of \$ 2 (Colombian pesos) per passenger/ day that uses Transfer's service. Therefore, it is necessary the constitution the Transport fund for the promotion of the social development in which is deposited the contributions of the businessman of transport for the direct social transference. At the same time, the companies that will implement the collection system in the Alliance have been invitaded by the managers of the transfer to implement similar systems of managers of transfer to implement similar systems of managerial responsibility initiative that rely son a good receptivity among the entrepreneurs and expects to be extended to the whole operation of the public transport, especially once that the unificated collection system of the public collective transport of passengers begins governing.

### 7.1 Strategic units of business and work: model of manangerial intervention of transfer<sup>1</sup> alliance

In the structural scheme of social intervention that the Transfer Alliance has designed it is observed in figure No. 1, where is determined who it is going to perform the intervention, that is Transfer, to whom it is directed the social intervention in this case triads of intervention to say: entrepreneur worker- small businessman, enterprise – worker- user and entrepreneur-worker-community and finally towards where is directed the social intervention.



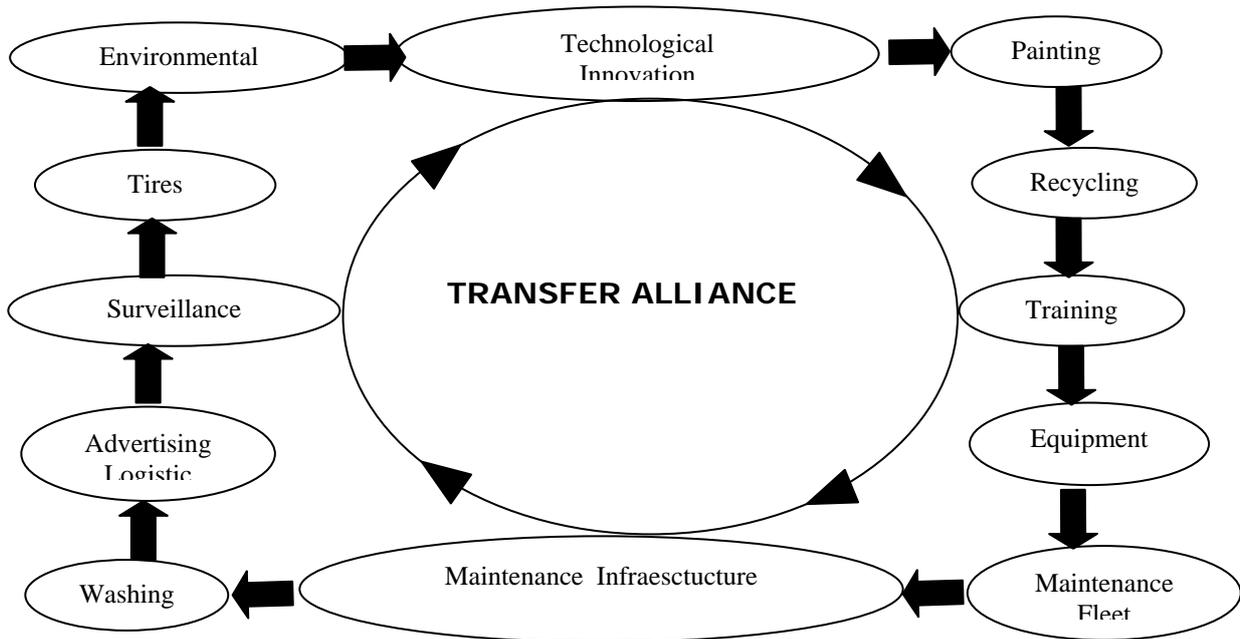
<sup>1</sup> The process of modernization of the public collective transport in which it is been worked with a big commitment reliability and responsibility whose structural scheme of intervention it is shown on figure No. 1.

**Figure No.1, Structure Of Intervention Social Managerial Responsibility**

In the structural scheme it follows or it is inferred that the model of social managerial responsibility is a part of a structure of managerial development, which is sustained in the strategic creation of unities of business and work exclusive and specifically to the small businessman<sup>2</sup> and the workers.

The model of strategic development of unities of business and work consists on the formation of a series of Mypimes (medium and small companies, law 590/2000), which creates real and complete space to the small transports in an order to offer and guarantee them a truly and authentic democratization of the property, the generation of wealth, the opportunity to improve their quality of life and improve the personal and familiar development for the sake of the social progress.

The unities of business and work are constituted taking as a reference each of activities of the line production of Transfer service as it is shown on figure No. 2.



**Figure No. 2, line of production Tránsfer Service**

As a way of example, when it is spoken of the activity unity of business or work “Surveillance” it is referred to security, that is the different logistic activities necessary to protect the goods of the alliance, such as: vehicles, patios, equipment, operational and

<sup>2</sup> For a better understanding, it is named small businessman that person who has a vehicle of its own affiliated to one of the enterprises legally enabled to give the service of the public collective transport of passengers.

administrative infrastructure, on chart No. 1, it is observed on a schematic way the inherent activities to each of the unites of business and work.

<b>Unity of Business and Work</b>	<b>BASIC ACTIVITIES<sup>0</sup></b>	<b>Work Places Generated</b>
Surveillance	Care and protection of goods, buses, equipment	36
Washing	Washing and permanent cleaning of the fleet	25
Painting	Repairing of painting of the fleet by operations an accident	18
Tires	Permanent maintained for the tires	15
Environment Auditory	Following up of indicators of emission of particles	10
Recycling	Recycling of materials such as glass, tires filters	10
Selecting school and formation	Selection and capacitating and driver's training	15
Supply of endowments	Confection and uniform endowment	20
Fleet maintenance	Maintenance of the fleet, mechanic, electric, body of a vehicle	20
Maintenance infrastructure	Maintenance of buildings, patios, offices	15
Technological innovation	Usage of new technologies to increase productivity	10
Advertising logistics	Maintenance of advertising elements	20

**Chart No.1, Unities of Business and work**

The unites of business and work are created with the purpose offer better options of work to he small businessman, since modernization implies specialization, to fulfill profiles, high standard of education, training, for this reason a big part of the small proprietor don't accomplish with the new profile established to generate a new culture or the service and attention of the public collective transport service, as a consequence, the small businessmen should have to perform their economical function in another kind of activity, that is because Transfer generated the model of social intervention and the social managerial responsibility one, sustain it in the creation of strategic unites of business and work.

With the creation of new unities of business and work it is offered to the small businessman big economic and work force opportunities, at the same time, it is looked to neutralize and mitigate the impact generated by the modernization. With the creation of the new unities of business it is assured the work force and economic of the small businessmen giving them the option to participate in the property of the new unities of business and the same time, letting them continue in the business in which they have been joined a big part of their lifes.

Therefore, with the new unities of business and work, bound to the line production of the public collective service, it is looked the sustainability of the Alliance, the companies and small businessmen. The small businessman will not have to work 12 or 16 hours a day, but will have a worthy and fair workday as it is ordered by the labor law. Besides, it is offered to

the small businessmen the opportunity to participate as a owner of the units of work in the generation of wealth, guaranteeing the economical stability for his family.

TRANSFER ALLIANCE presented to the functionaries of the BID in charge of working the topics related to associativity the whole conception in which it was based the constitution of Transfer, it generated a great interest and commitment to continue talking to concrete the participation and help from the BID since the multilateral institutions of development, as it is the case of the BANK OF INTER AMERICAN DEVELOPMENT- BID, has the precept to promote the economical development, this makes the multilateral institutions of development become the most suitable tools to promote, support and incentive the social managerial responsibility, through the direct promotion of them and the financial support. With the participation of the BID the common work will generate a big opportunity for the evolution and progress of the Alliance and of the sector directing more efficiently the resources destined for the well-being of the workers of the sector, of the users of the communities and of the city.

## **8. THE ENTERPRISE THAT WE ARE CONSTRUCTING: AN AGENT OF THE DEVELOPMENT AND CONSTRUCTOR OF FURE:**

TRANSFER ALLIANCE has the firm intention, as other of its fundamental props of its development and enterprise management, to work integral and harmonically on the productivity and development of the worker.

The administration, the organization and the development of the Alliance is oriented towards obtain a major productivity in which businessmen, workers and users get benefited and it is raised the quality of live in the whole city. It is easy to change If the agents of change count on he necessary motivation and respond to the adequate hierarchy of personal and social needs. It is tried of a deep change of mentality whose apprenticeship is only possible to carry out by practicing the ideas and values which inspires it.

Transfer Company is established from the talent of the agents that interact through the means there are within their reach, among others: the **Shareholders** and the **owners** who act in the process of productivity through the company and influence the society generating more and better employments and becoming leaders of the market with social responsibility.

**The workers employees and operators** that take part in the process of transference as constructor agents, helping to create a set of necessary conditions for the human dignity and suitable for the integral development of the person, family and the civilians to whom it serves and

**All of those people of good who intervene as users or friends of the company,** beneficiated direct or indirectly from Transfer service, who influence as exemplary citizens in the social realty establishing a series of personal and collective conducts that renew the social net, expressed in a healthier, more just, more pacific and more solidary coexistence.

The company that we are establishing to generate a positive impact inside the relations of the different agents that interact in the rendering of the service, that is, enterprise – worker, community – user and society –city, in a way that we advance in the reaffirmation and reconstruction of the values and it gets consolidated a business that generates wealth.

The enterprises we are establishing relates, in a dynamic way, the individual being, the social being, values, to do –to have- to be and productively at all dimensions. These elements that interact in the different environments where the person moves: as the enterprise, the family, the social atmosphere. The company is fundamentally, a set of energies for the sake of a common objective where is specifically looked:

- To reach high profitability indexes
- To reach high human development indexes
- To obtain high indexes in the quality of the service, realized with the best fleet.
- To generate an appropriate atmosphere for the construction of values.
- To contribute to the social well- being through the Social Managerial Responsibility.
- Construction of the intellectual capital.

Transfer company compromises to be an agent that impulses and dynamists the social development, generating wealth for the company itself, as well as, for all the agents, with the purpose to contribute in the reconstruction of the social net, based on the national values, having as central part: Entrepreneur – Worker- User- Citizen. The interaction of the human being as a social individual gives as a result the maximum part of his values.

### **8.1 A company based on values**

The contemporary world is characterized by the meeting of cultures which are expressed by the different ways of being and existing of those who integrate each cultural circle. This pluralism imposes us the right to respect, diversity, but also to work for the universality of the fundamental values of the human being. In fact, the future world will be only able to survive on the base of solidary, the only guarantee for the existence of: a) the social justice, b) the development for all, c) The lasting peace. Nowadays the culture does not only have an aesthetic meaning but also anthropologic, sociological and the sensibilization on the environment.

In these order of ideas the culture expresses everything that a community (conscious or unconsciously creates, propitiates and develops for the sake of a humanized universe. In consequence includes; its past which gives the foundations of his own identity; its present which gives the reasons of this current existence and its future which impulses to fulfill its mission in time.

The culture is expressed and perceived by: a) beliefs, customs and attitudes of its members that constitute their distinctive behavior b) the way of celebrating, communicating, working

and creating science and technology and c) finally, the way as people reveal their most intimate realities and the values that encourage reaching.

In the last context, culture is a collective creation that in order to maintain it, it is required the responsibility of all us, from the different social roles, such as, the family neighbors, educational institutions and acting as citizens of a political community etc.

At last, TRANSFER ALLIANCE is conscious that culture is the values net that a community works and longs to reach as an objective, to fulfill their mission in history. Taking in to account that only a value, but many values are the ones that create a real culture.

That is because TRANSFER ALLIANCE with this new style of public collective transport of passengers, it is proposed to take part in the creation and conformation of a culture for the city and for the country in which blossoms life, truth, solidary, peace, and human dignity.

## **8.2 Transfer Alliance and its concept of integral productivity**

TRANSFER ALLIANCE gives a more integral scope the concept of productivity, under this perspective, the different agents that operate in the public transport service of passengers it is framed a deeper and more integral concept of productivity. With this purpose productivity is approached by three dimensions.

The managerial dimension, that is, the productivity seen the productive in function of the entrepreneur (**managerial productivity**).

The person – worker dimension, that is the productivity seen as in function of the worker (**personal productivity**) and

The social dimension, that is, the productivity seen in function of the user, community, society and the city. (**social productivity**).

Under this approach, it is taken as a vital axis: **Entrepreneur – Worker-User** as subjects of productivity and **Enterprise Community – City** as objects of the productivity. As we can see, the enterprise should be convicted in a direct object of the development to project a great social energy directed to the reaffirmation of our values, to the reconstruction of the social net and the wealth distribution from the axes: **Entrepreneur- Worker- User**.

The activities the enterprises will carry out will be directed so much to the interior (**Enterprise- Worker- Family**) as on the exterior (**User- Community – City**), in this way assuming active role and giving its contribution to the construction of future, that is to say, to do a viable country for our children, young people and the new generations.

The company will maintain the best relations with the communities where its routes pass but also with the state to turn into a bridge of communication with the intention of helping to

solve the most important needs of the communities, that is to say, to be a facilitator of the communication among the user- citizen and the entities that represent the State. At this point, is worth to stand out, the importance of the political commitment of the city as helper and regulator of the personal, particular interests in the support offered to the small businessman in the construction of managerial models less concentrated, pertaining to revenues, less monopolistic and more distributive.

Now then, lets go back to the integral concept of productivity stated by Transfer in which considers the following dimensions: Economic, intellectual, personal, social, managerial, familiar and spiritual.

With the economic productivity it is attempted to:

1. To do a better work with the available resources, to maximize resources
2. To lower costs and to increase income
3. To assure profitability
4. To assure getting high indexes of management
5. Efficient administration

With the intellectual product ivy is attempted to:

- The generation of intellectual capital.

With the person productivity is attempted to:

1. Integral growth of the person, at the human development level
2. To perform a better job
3. To be a better citizen
4. To be a better friend and partner

With the social productivity is it attempted to:

1. To be better workers thus offering a quality service
2. To generate at work responsibility and social commitment to reconstruct the social net and the construction of a more solidary society, pacific, justice and equitable.
3. To form a good neighbour, a good citizen and a good Colombian person

With the managerial productivity it is attempted to:

1. Assume Social Managerial responsibility with the community, society, city and country.
2. To become the best public collective transport company of city.
3. To be a leader in the sector
4. To form intellectual capital
5. To be recognized by its excellent performance in the enterprise management.

With the familiar productivity it is attempted to work on:

1. To favor the familiar relations
2. To generate free planned time in order that the worker could share quality and quantity of time with his /her family.
3. To make the worker conscious of being a good father, good husband good brother and a good son.

With the spiritual work it is attempted to:

1. To form workers and people of good

2. To promote the value of solidarity among the businessmen and workers.
3. To be a worker and a person of values.

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