

CHAPTER 5

CONCLUSIONS AND SUGGESTIONS

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This chapter gives the conclusions or findings of the study and the suggestions based on the conclusions drawn.

A) CONCLUSIONS

The conclusions are classified as Specific Conclusions i.e. conclusions based on specific part of the study and General Conclusions i.e. conclusions based on the totality of the picture emerging from the study both directly and indirectly.

a) Specific Conclusions

1. Effective kilometer growth at MSRTC level was continuously progressive except in the year 1990-91 in which it had a set back due to curtailment of services in 'Gulf Crisis' period.

2. Between 1983-84 and 1993-94, at MSRTC level, highest and lowest % load factor were registered in the years 1987-88 and 1993-94 respectively and declining trend is rapid as is clearly noticed from 1988-89 onwards both at MSRTC level and Division level.

Such a declining trend indicates one or more reasons such as a) revenue earning per effective kilometer generated is declining, b) commuters are opting for alternative mode of transport, c) the spare capacity of the MSRTC is increasing, d) market share of MSRTC in passenger traffic is declining.

Declining % load factor results in a) lower earnings,

b) uncertainty or unreliability about the basis of corporate plans for future development, c) lower reputation of the enterprise, d) speedy perishability of kilometer service generated without resultant benefits of increased kilometer generation, e) wastage of fuel and resultant loss of foreign exchange, f) air and noise pollution, g) road congestion.

3. Ambivalence in policies to be pursued on the part of MSRTC initially, due to exemption from competition from other units because of grant of monopoly operator status and imposition of social obligation to provide wide network of services to encourage mobility of people irrespective of profitability of individual routes, as to what role is it expected to play as an activity. It was not clear to MSRTC as to whether it is supposed to conduct itself on a commercial line or act as a benevolent activity. So initially the policy of "no profit no loss" was adopted as guideline of operation and pricing of services. It was initially sustained due to the sustained surplus available from large number of profitable routes. After a time, the weaknesses of the policy were realized when the number of unprofitable routes and operations increased. The government, faced with the task of providing huge subsidies to cover losses of State Enterprises, has declared them including MSRTC units operating in service business (and not merely service organisations as before). Therefore, now commercial performance (self sufficiency

or generation of surplus) is expected from them.

4. The position of monopoly operator has been a thing of past for MSRTC and now it faces a fierce competition from private legal or illegal operators of transport. This situation is likely to worsen in years to come due to ready availability of large variety of vehicles because of massive expansion in automobile industry in India, presence of large number of educated unemployed rural and urban youths seeking to adopt newer and unconventional occupations including those in transport sector to earn their livelihood.

5. The demand for all types of transport services i.e., short medium and long distance service, ordinary, comfortable and luxurious transport services is rapidly increasing day by day due to the changed life style of rural and urban population. This change in life style is due to variety of reasons such as rising levels of income of certain sections of population, exposure to television, rise in activity level in rural areas, pressure of time and resultant preference for quick, time saving mode of transport, changing values, built up habit of using means of transport for movement from one place to another, however short in distance from each other, spiraling prices of real estates in the cities, exorbitant rents for hiring an urban accomodation etc.

b) General Conclusions

The following broad conclusion is arrived at on the basis of the totality of the situation as is obtainable in MSRTC in general and its performance in Kolhapur Division in particular.

The MSRTC has to gear up its strength to play a dynamic role to enlarge its market share, follow commercial business policies and become a financially viable unit in order to meet the challenges it faces.

B) SUGGESTIONS

These have been given below.

1. As an immediate step, to reverse the declining % load factor Kolhapur Division in particular and MSRTC in general has to review its position in respect of routes, frequency of trips, time table of trips on routes, punctuality of schedules etc., and see how matters can be improved in a short span of time within the existing framework without waiting for a long term strategy of over all change in the policies.
2. As an intermediate step, the Kolhapur Division in particular, and MSRTC in general, in addition to careful review and necessary changes in a more adequate manner in the areas specified under (1) above, have to attend to the following matters to improve the working efficiency of the unit to bring about a

favourable change in the % load factor.

a) **Planning of routes, frequency and timing of trips** : Effort should be made to ensure that planning of routes, frequency of trips and time table of buses is aimed at ensuring maximum % load factor.

b) **Utilization of fleet** : Effort should be made to see that at any time maximum number of buses are on the road out of total number of buses held. This calls for gearing up of maintenance operations of the buses.

c) **Utilization of Vehicles** : Care should be taken to ensure that kilometers done by every vehicle held per day is maximised.

d) **Improvement in Occupancy Ratio** : Care to observe the position on the spots frequently and continuously at different time of the day and through the days should be taken to know the reasons for lower occupancy ratio and suitable staggering of the trips in the time table should be taken up.

e) **Utilization of Crew** : Idle time of the operating crew results in either lesser utilization of vehicle or overtime of the crew. Efforts should be made to use time of crew on duty in an optimum manner.

Better utilization of time of crew on duty is possible through a) reduction in running time by eliminating unnecessary stops, b) reduction in stand time at various terminals, c) ready position of the vehicle at a time when it is to be taken out of

the depot, d) establishing relation in operational time table and maintenance schedule to ensure that vehicles are withdrawn for maintenance when they are not required to be pressed into service.

At this stage, it is felt that installation of computer system at Divisional level for speedy processing, classification and use of abundant data generated by MSRTC for quick and effective decision making is desirable. Of course, the Division or the MSRTC need not wait for installation of computer system to start acting on suggestion number 1 and 2 given above as they are the steps to be taken immediately and in short term.

3. The MSRTC has to realize that it is in service business and has to follow policies necessary for ensuring a viable unit in the presence of fierce competition from other transport operators. It has also to be aware that there is an abundant potential demand for its services and this is expected to grow in rapid manner in years to come if only it can meet the needs of the people through introduction of suitable services. Providing a product or service to the customers(commuters) as per their needs and expectations is the key factor.

In this connection, it is desirable that the MSRTC, at its level, undertakes a deliberate, careful and detailed exercise to work out future policies and strategies and their details to cater not only effectively but also profitably to the needs and expectations of the people in respect of transport services on

the basis of the changing scenario as indicated under point Number (5) in conclusions. This exercise has to start with realistic estimation of potential passenger number in years to come and the kind of service mix they will need.