Focusing on the Future
Strategic Business Plan 2019-2023
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Executive Summary

This is TheRide’s first Strategic Business Plan. As a new corporate planning tool, this document doesn’t go into detail about the future of bus services, but it does help us align our work with the expectations from our Board of Directors, focus on activities that can make the greatest difference, and chart a step-by-step path towards achieving results on behalf of our communities. It also serves as a window into how decisions are made at TheRide, enhancing transparency for everyone. This Plan will become an important part of our annual business planning process and will be updated every year. Key steps and conclusions are provided in the first part of the document, while the appendices include more detail, background and methodology.

To achieve the outcomes identified by our Board, staff have identified three areas for focus:

- **Planning for the Future** / Working with our community and stakeholders to develop the next generation of public transit and mobility services.
- **Serving Customers** / Renewing our commitment to excellence in service delivery.
- **Modernizing TheRide** / Continuously searching within our own organization for ways to improve.

Within these three priorities are about 30 initiatives spread over five years. The projects range from high-profile (e.g. Long-Range Vision, Pilot Projects) to more immediately practical (e.g. new budgeting software, a new roof for the garage). Nevertheless, every project is important in advancing the Board’s vision. Together, these projects will position us to make an even bigger impact in the years to come.

The Strategic Business Plan provides a high-level overview with a longer-term perspective. It is complemented by the 2019 Budget which is focused on providing short-term details for the upcoming year.

Finally, TheRide welcomes public feedback on the Strategic Business Plan at any time. Both are written to make it easier to understand how decisions are made at TheRide. Feedback can be provided electronically at TellUs@theride.org, or by phone at (734) 794-1767.
1. Introduction

The Strategic Business Plan is a new corporate planning tool at the Ann Arbor Area Transportation Authority (TheRide). Its main purpose is to help focus the Authority’s efforts and assure that work is aligned with the Board’s vision. It also helps make TheRide’s decisions more transparent.

The Plan starts by reviewing the overall direction developed by TheRide’s Board of Directors and identifies the priorities and initiatives for achieving those outcomes. The appendices provide important context and background as well as the strategic planning methodology.

This Strategic Business Plan also fulfills several requirements for good management required by the Board. Board policies require that the Chief Executive Officer (CEO) create a multi-year strategic plan (Policy 2.4) that will: align staff-work (2.4.2) to achieve the Board’s vision (1.0), contextualize decisions (2.4.2, 2.11.1.6.1), incorporate community input (2.10), provide a longer-term perspective (2.4.4), and ensure financial stability (2.4).

Public feedback on the Strategic Business Plan is welcome and required (2.10.4 and 2.10.5). The Strategic Business Plan will only benefit from feedback from the Board and the community.

Electronic comments can be sent directly to the CEO, Matthew Carpenter at TellUs@TheRide.org.

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1 The Board’s expectations are explicitly stated in the AAATA Board Policy Manual. Specific policies are cited by number (e.g. Policy 1.0, 2.2, or 2.11.1.6). The full Policy Manual is available on TheRide’s website.
2. Vision & Mission

The Board of Directors at TheRide sets the overall destination for the organization. The Board’s steering wheel is their Board Policy Manual, a document containing all of the Board’s directions to the Authority. This Manual is available on TheRide’s website.

The Board sets a vision by identifying the results the agency will achieve (Ends Policies). Having a single Board-approved vision means there is only one set of hands on the steering wheel – the Board’s.

Recently the Board of Directors approved a revised vision for the agency:

1. AAATA exists to provide access to destinations throughout the Ann Arbor-Ypsilanti Area for increasing numbers of residents, workers and visitors via transportation options that contribute to the Area’s social, environmental and economic vitality at a cost that demonstrates value and efficient stewardship of resources.

   1.1. All residents of the Area can participate fully in society without a personal vehicle.
      1.1.1. People with low incomes can afford to travel in the Area.
      1.1.2. People, including those with disabilities or mobility impairments, seniors, minors, and non-English speakers, have equitable access to opportunities in the Area.
      1.1.3. People with access to a personal car find public transit to be an attractive alternative.
      1.1.4. Passengers are highly satisfied with public transportation services that are safe, reliable, courteous, comfortable, convenient, and fast.

   1.2. The Area’s natural environment is enhanced.
      1.2.1. The Area’s overall transportation system minimizes energy use and pollution.
         1.2.1.1. The Area’s carbon footprint is reduced
         1.2.1.2. The Area’s air is cleaner.
      1.2.2. The Area’s natural resources are conserved.
         1.2.2.1. Land development can become more compact and walkable in part because of transportation options.
         1.2.2.2. Agency operations make efficient use of energy, water, materials, and other natural resources; and minimize waste.

   1.3. The Area prospers economically.
      1.3.1. Workers and students can access employment opportunities without need of a personal vehicle.
      1.3.2. Employers have access to a diverse labor pool.
      1.3.3. Visitors have access to the Area.
      1.3.4. The Area’s economy grows despite limited parking and auto congestion.
      1.3.5. The Area is connected to the Metro Detroit region.
      1.3.6. Local leaders are aware of the contribution public transportation makes to the community.
      1.3.7. The Authority will remain economically viable in the long term.

With their vision set, the Board requires the CEO to identify the best path for achieving the desired results. The Board provides further guidance by constraining the decisions staff can make in pursuit of the Board’s vision (Executive Limitations Policies). With the destination and limitations set by the Board, the CEO and staff are charged with implementing the Board’s vision for the organization. The CEO directs all internal mechanisms that propel the workings of TheRide (i.e. staff, processes, budgets, plans, etc.).
With the Board’s expectations in hand, the CEO and staff work to identify the priority goals and initiatives best suited to advancing the Board’s outcomes\textsuperscript{2}. The Strategic Business Plan houses all this information. The Plan also increases transparency by linking the Board’s expectations to explicit priorities and initiatives.

Every year there are many good suggestions that come to TheRide. Pursuing big goals often means husbanding resources, concentrating on the highest-yield initiatives, and remaining focused. Sometimes this means politely saying ‘not yet’ or even ‘no’ to some suggestions. Prioritizing is not always popular but is the best path for achieving the Board’s goals.

\textsuperscript{2} The methodology for the planning process is outlined in the appendices.
Conclusions on Strategic Needs and Opportunities

The Strengths-Weaknesses-Opportunities-Threats analysis (SWOT) in the appendices goes into detail about the many strengths, weakness, opportunities and challenges/threats facing public transit and TheRide. Based on this assessment, we can start to discern the most important conclusions. TheRide welcomes feedback to ensure we are identifying the main issues correctly. Key observations and conclusions are:

- **Planning to Plan:** At this moment there is no common vision for the future of mobility services in Washtenaw County. Nevertheless, the need to reach destinations continues to grow. TheRide is the one institution with the capability and credibility to work with a broad constituency to develop such a plan. We also have the greatest need. Without a clear plan, we will become reactive instead of proactive.

- **Getting Ready to Implement:** When a new vision is finalized, will TheRide be ready to implement it? While there are many internal strengths, the SWOT analysis suggests that there are still areas that need to be addressed before another major initiative can be successfully undertaken. Broad areas in need of attention are customer services and administrative processes and maintaining infrastructure/assets.
With these conclusions in mind, the Strategic Business Plan can now identify three thematic priorities:

1. **Planning for the Future**: TheRide has just completed the most ambitious service expansion in its history, and ridership is growing. With many new opportunities on the horizon, now is an excellent moment to engage our communities and plan for the next chapter.

   The CEO proposes that we launch a 1-2 year planning effort to better understand the opportunities and challenges facing transit services, learn what the community’s interests/aspirations are, focus resources, and identify options for funding. By blending technical frankness, community input, and political honesty, we can craft a new, commonly-held vision for the future of transit and mobility services. This will also become the blueprint for future strategic planning.

   Such a plan is a key tool for advancing the Board’s vision (Policy 1.0 - Ends) and will also help improve compliance with policies 2.4, 2.7, 2.10, and 2.11.1.6. There are several Board policies that guide how planning is to be done: 2.4, 2.4.2-2.4.5, 2.8.5.2, 2.8.5.6, 2.10.4, and 2.10.5.

2. **Serving Customers**: Recent customer surveys illustrate that our riders and community continue to be satisfied with the quality of the services that we provide. However, growth pressures are creating new challenges and old solutions are becoming less effective. New approaches will be necessary. For these reasons we will be renewing our commitment to serving customers and ensuring they remain at the center of our decisions. Improvement in these areas will aid in compliance with policies 1.0, 2.1 and 2.10.

3. **Modernizing TheRide**: In 2019 TheRide will celebrate its 50th Anniversary. Every organization must occasionally renew itself. TheRide has made great strides with internal updates in the last three years, and we will continue to look for new ways to remain a strong platform for delivering service in our communities. Improvement in these areas will aid in compliance with policies 2.2, 2.3, 2.4, 2.5, 2.8, and 2.10.

The following pages provide more information about these broad priorities and the specific initiatives within them. The 2019 Budget provides even more detail about the 2019 initiatives.
Priority 1: Planning for the Future

Over the next 24 months, TheRide will work with our community to establish a new vision for our services and programs. This will confirm our outward focus and priorities, guide planning and research efforts, and play a large role in setting the future agenda for TheRide.

The Ann Arbor/Ypsilanti area is growing and the need for mobility and access is increasing. A new vision for our services and programs will give us a better road map for achieving the outcomes identified by the Board.

The new fixed-route services are already being subjected to an intense internal review. The opportunities and challenges that will be uncovered will help to inform future planning. New technologies are enabling exciting but unproven new services such as ride hailing, micro-transit and even autonomous cars. TheRide will be working to evaluate the potential for these new services to help us meet our community’s needs and incorporate them as appropriate.

Key Initiatives

**Develop New Long-Term Vision for Services**– What should our services look like in the future? There is a need for a new long-term vision for public transit in the Ann Arbor/Ypsilanti area. Beginning in early 2019, TheRide will begin planning with our communities, riders and stakeholders to create that guiding vision.

**Experiment with New Mobility and New Services** – Continue to pursue limited pilot projects and experimental-services to ascertain potential to increase access to destinations.

**Advocate for transit-supportive land development** - Develop an advocacy strategy for transit-supportive development in partnership with local partner and municipal authorities.

**Consider Facility Improvements** – In the near future there may be opportunities to expand or enhance the Dawn Gabay Operations Center, Blake Transit Center and/or the Ypsilanti Transit Center.

**Measuring Progress**

New riders, cost per new rider, market share (mode share)

Community involvement with, and support for, a view vision.

Greater clarity on the viability of New Mobility services.

Completion of current studies and emergent pilot projects, and weaving their insights into the longer-term vision.

**Lead Responsibility**

Deputy CEO of Planning and Innovation
Retaining riders is an important step in increasing ridership. TheRide has a long history of excellence in service delivery, with high scores from customers. Nevertheless, growth pressures are creating new challenges, and continuous improvement is an important feature of any successful organization.

Making customers the center of our business provides a common, neutral objective for all agency activities, reinforces our role as stewards, helps avoid distractions, and inspires us to make difficult changes. All internal activities will be reviewed to make sure they are providing the greatest benefits for customers.

**Key Initiatives**

**Service Pledge and Performance Reporting** - A new “Service Pledge” will outline our promise to our customers and what they can expect of us. A new approach to measuring performance will be developed to help demonstrate progress.

**Internal Focus on Customers** – New training, staffing and tools will help to ensure even higher levels of communication and responsiveness.

**Service Improvements** – Quick win improvements to existing services and programs to address challenges such as crowding and on-time performance.

**Enhance Communications** – Continued investment in real-time information technology and the website will help riders to have confidence when using our services.

**Fare Improvements** – Changes and improvements in fare structures, pricing and collection technology can help make riding even easier.

**Fleet and Facility Maintenance** – Back-office infrastructure like support facilities are essential to ensure continued high-quality customer services. Similarly, the bus fleet must be maintained and renewed or customer satisfaction will decline. Maintaining the fleet as well as support facilities in a state-of-good-repair is imperative for customer satisfaction and prudent management. The 2019 budget calls for significant investments to catch up on deferred maintenance and to maintain the assets our customers rely upon.

**Measuring Progress**

Customer Satisfaction Scores (survey)

Rider retention

Short-term changes to accommodate growing ridership.

Establishing customer pledge and measuring performance

Community Support/Perception of TheRide

Average age of bus fleet

**Lead Responsibility**

Deputy CEO of Operations
TheRide cannot deliver excellence if it is not a high-performing team. It is necessary to invest in internal improvements in order to deliver results for customers and the community.

Since 2015, TheRide has made numerous internal improvements that have set the stage for future growth. To cite only a few examples, we have implemented new approaches to board governance, strategic planning and budgeting; re-organized staff, and re-invigorated workplace safety.

While TheRide is as strong an organization as it has even been, there are still opportunities to raise our game. The Board’s policies require us to be well-organized, focused, cost-effective and proactive. We will continue to invest in our staff, upgrade tools, seek out new perspectives, and modernize our processes - even when change is a little uncomfortable. We will continue these changes with the goal of becoming the best-run transit system in Michigan and a top employer in southeast Michigan.

**Key Initiatives**

**Budget Software and Administrative Tools** - To be productive, staff need a foundation of useful tools and policies that help create an attractive workplace. Updates of financial, human resource, procurement, operational and other policies and tools will continue. A new budget software package can help increase productivity and reduce errors.

**IT Strategy** – Information technology is increasingly part of every aspect of operations. What strategies make the most sense? Do we have enough resources for technology? An internal assessment will help guide future discussions.

**Facility Rehabilitation and Asset Management** – Maintaining our bus fleet, passenger terminals and garage is essential for maintaining customer satisfaction, managing financial commitments, and meeting federal regulations. A surge in investment in older facilities is needed, as are new approaches to bus replacements.

**Invest in Staff** – Valuing and investing in staff helps drive organizational performance, builds organization capacity, and makes for an attractive workplace. To be fulfilled in their work, staff needs guidance, skills, coaching, training for project management and other skills, and empowerment.
**Measuring Progress**

Continued financial stability

Increased Transparency

Cost-Effectiveness

Replacement of outdated approaches and legacy systems

Staff engagement, pride and productivity

Recognition for industry leadership

Workplace safety

**Lead Responsibility**

CEO, Deputy CEO of Finance and Administration
There are about 30 initiatives that have been identified as being best-suited to advancing the priority themes of the Strategic Business Plan. The following charts, tables and pages organize all proposed initiatives by priority and year. This is done to provide a multi-year context, balance workloads, and illustrate how we will progress towards our goals. 2019 projects will be described in more detail in the draft 2019 Budget.

Broadly, particular initiatives are proposed because they are effective at advancing one of the priority areas, thereby advancing the Board’s overall vision. The figure below illustrates this relationship.

**Figure 1: Conceptual Organization of Vision, Priorities, Initiatives**

![Diagram of Vision, Priorities, and Initiatives]

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More information about how initiatives are vetted is provided in the appendices.
Figure 2: Timeline of Major Initiatives

<table>
<thead>
<tr>
<th>Priority Theme</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
<th>2023+ or TBD</th>
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<tbody>
<tr>
<td></td>
<td>-Follow-ups: Paratransit, Fare Study,</td>
<td></td>
<td>Washtenaw Ave Transit Priority</td>
<td>-Garage Expansion Planning</td>
<td>-Garage Expansion Planning</td>
<td>-Garage Expansion</td>
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<td></td>
<td>-Planning for bus terminals</td>
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<td>-New Mobility Expansion</td>
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<td></td>
<td>-Advocacy Strategy (Land Development)</td>
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<td></td>
<td>-Potential Express Bus Proposal</td>
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<tr>
<td>Serving Customers</td>
<td>-Short Range Improvements</td>
<td>-In-Field Communications</td>
<td>-Fleet replacements</td>
<td>-Fleet replacements</td>
<td>-Fleet replacements</td>
<td>-Fleet replacements</td>
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<td></td>
<td>-Service Pledge</td>
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<td>-Fare Collection Technology Study</td>
<td>-Fare Collection Technology Implementation</td>
<td>-Fare Collection Technology Implementation cont.</td>
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<td></td>
<td>-Customer Mgmt. Software</td>
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<td></td>
<td>-Website Improvements</td>
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<tr>
<td>Modernizing TheRide</td>
<td>-Budget Software</td>
<td>-Budget Software cont.</td>
<td>-Facility rehab cont.</td>
<td>-Propulsion Study</td>
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<tr>
<td></td>
<td>-Facility rehab (roof, Bus wash, offices)</td>
<td></td>
<td>-IT Strategy Implementation</td>
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<td></td>
<td>-IT Strategy</td>
<td></td>
<td>-Administrative software upgrades cont.</td>
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<td></td>
<td>-50th Anniversary</td>
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<tr>
<td>Events of Note</td>
<td>-Potential RTA millage</td>
<td></td>
<td>-Union Negotiations</td>
<td>-Regular Millage Renewal</td>
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<td></td>
<td>-Presidential Election</td>
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</table>
| Grey highlighting identifies the key initiatives pertaining to further expansion of public transit services. Italicized initiatives identify projects with significant contributions from TheRide's IT department.
Project Descriptions
This section describes each initiative. To help illustrate the connection to the Board’s vision, the policies that will be most affected by each initiative are noted in parenthesis.

Planning for the Future

/ 2019 /

**Long-Range Plan** – With recent major transit studies completed, there is a need for a new long-term vision for public transit in the Ann Arbor/Ypsilanti area. Beginning in early 2019, TheRide will begin planning with our communities, riders and stakeholders to create that guiding vision. The efforts will take 1-2 years and provide guidance for at least a 10-year period. (Policies 1.0, 2.1, 2.4, 2.10, 2.11)

**Follow-ups: Paratransit Study, Fare Study, Washtenaw Ave Transit Priority Study** – Next steps and/or implementation of results from 2018 studies which are anticipated to conclude in early FY 2019. These efforts will likely take several years to complete. (Policies 1.0, 2.1, 2.4, 2.10, 2.11)

**New Mobility Pilot** – This initiative is a placeholder and includes some modest funding that is set aside to help fund a pilot project utilizing new technologies. No project has yet been identified and staff will be working to develop such a project in 2019. Timing is uncertain. (Policies 1.0, 2.8.5.6, 2.11)

**Planning for Bus Terminals** – Follow up steps from an ongoing 2018 study of the Ypsilanti Transit Center, and possibly other projects. These efforts will likely take several years to complete. (Policies 2.1, 2.4, 2.10, 2.11)

**Advocacy Strategy (Land Development)** – As a part of the broader Long-Range Plan, we will develop an approach to advocating for development of land in ways that complements transit. This will need to be done in concert with local municipalities that control land-use regulation. Timing is uncertain. (Policies 1.2.2.1, 2.8.5.6, 2.10, 2.10.2, 2.11)

**Express Bus Proposal** – Working with local partners TheRide is pursuing a potential project for a new express bus service. It is not clear yet whether this idea will become a proposal. More information will be available in the future. (Policies 1.3.5, 2.10, 2.11)

/ 2020 - 2021/

**Garage Expansion Planning** – A 2017 study concluded that TheRide’s bus garage was full and could not accommodate any further growth in the bus fleet. This means that any growth in the fleet will need to be preceded by the construction of costly new support facilities. This initiative is a placeholder intended to accommodate these efforts should the long-range planning suggest a larger bus fleet. (Policies 2.4)

/ 2022 /

**Potential Expansion Millage** – Between 2019-2020, TheRide will ask the community about is expectations for transit services. Should the further expansion of mobility services and additional funding be supported, TheRide could seek additional millage funding between 2021-2023. (Policies 2.4)
/ 2023 + or To Be Determined /

**Terminals, Garage, New Mobility Expansions** – These are placeholder intended to remind us of the large projects that could be undertaken, depending on the results of earlier planning work. Necessity, scope, cost, and timing is unclear at this time.

**Serving Customers**

/ 2019 /

**Short Range Improvements** – Implementation of small changes to existing fixed-route services to address quality of service concerns, such as improving on-time performance. These changes would be implemented with FY 2019. (Policies 1.0, 2.1)

**Service Pledge** – Create and distribute a promise to riders and customers about the quality of service they can expect to receive from us. This will be linked to performance measures and public reporting. (Policies 1.1.4, 2.1, 2.10.5)

**Customer Management Software** – Purchase and implement a new customer relations software package to enable better tracking of, and responsiveness to, customer concerns. This tool is coupled with the new Customer Service Officer position created in 2018. (Policies 1.1.4, 2.1)

**Website Improvements** – A variety of back-office improvements and enhancements to the underlying technology for the website. (Policies 1.1.4, 2.1)

**In-Field Communications** – Replacement of dispatch-to-bus communications functions that were inadvertently lost during implementation of the CAD/AVL system. Will improve responsiveness, customer services and emergency response. This project will take 1-2 years. (Policies 1.1.4, 2.1, 2.2)

**Fleet Replacements** – Routine replacements of buses and support vehicles that have reached the end of their lifecycles. Timely replacements maximize time spent in-service for customers and minimizes break-downs. This project includes a 5-year contract, replaces forty 40-foot buses, has an estimated cost of $15-$20 million, and will help ensure customers enjoy reliable, comfortable transportation. As decided in the FY 2018 Budget, these vehicles will be clean-diesels, however, options for alternate propulsion will be sought in case adequate funding becomes available. (Policies 1.1.4, 2.1, 2.4, 2.8)

**Expand Real-Time Information** – Invest in new tools to enable Google Transit and other real-time features for mobile devices, etc. (Policies 1.1.4, 2.1)

/ 2021 - 2023 /

**Fare Collection Technology Study** – New fare collection technologies (i.e. smart cards, mobile ticketing, etc.) can increase convenience and equity by allowing a new range of fare structures and pricing. The Regional Transit Authority (RTA) has the responsibility for developing a region-wide fare collection system. If the RTA is not successful at seeking millage funding in 2018 or 2020, TheRide may need to move forward on its own to implement a fare collection technology locally. This initiative would take several years to study, plan and implement. (Policies 1.0, 2.1, 2.5, 2.8, 2.10.4, 2.10.5, 2.11)
Modernizing TheRide

/ 2019 /

**Budget Software** – Presently, TheRide's annual budget is developed and administered with a variety of legacy software programs, including Excel. To improve quality and transparency, and reduce the risk of error, we will select and implement a new corporate budgeting software package. This project may take 1-2 years to implement. (Policies 1.3.7, 2.4, 2.5, 2.8)

**Facility Rehab** – Addressing a variety of deferred maintenance needs for the Dawn Gabay Operations Center at 2700 S. Industrial Avenue. Sub-projects in this category include: new roof, renovations to dispatch center, lifecycle replacement of major systems, and possibly office renovations in administration areas. Improvements will help prevent more expensive repairs, incorporate more efficient designs and technologies, and help ensure that TheRide’s main bus garage remains a effective home for operations. These efforts will likely take several years to complete. (Policies 1.1.4, 2.4, 2.8)

**IT Strategy** – Like many business, TheRide is increasingly dependent on back-office information technology. This internal study will help administrative staff better understand what technology options to pursue and what resources will be required. (Policies 2.2, 2.4, 2.8.5.6)

**50th Anniversary Celebration** – TheRide was born in 1969, and 2019 will be our 50th Anniversary. A variety of promotions and celebrations are planned. A report on the history of TheRide is being developed. (Policies 2.2.1, 2.4.2)

/ 2020 - 2021 /

**Administrative Software Updates** – TheRide uses several legacy software packages for essential internal processes, such as payroll. These systems will be reviewed, and replacement software is likely. In addition, many of the labor-intensive tasks of deploying buses are done manually or with outdated software. We will explore options to replace legacy systems and increase productivity. This process may take several years. (Policies 2.2, 2.5, 2.8)

/ 2022 /

**Propulsion Study** – TheRide has been a leader in alternative propulsion. While many exciting options exist today, the correct choice for the future is not clear, and new technologies are still maturing. Conducting a comprehensive study of alternative propulsion in 2022 allows more time for the technologies to mature and become more reliable and less expensive. (Policies 1.2, 2.4, 2.8)

The table on the following page illustrates the impact of the various initiatives by cross-referencing them with the Board policies upon which they will have the greatest impact. This is intended to help illustrate how the proposed workplan will advance the Board’s vision. The Board’s policies are all available in the Board Policy Manual on TheRide’s website.
## Figure 3: Initiatives and Policy Impacts

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Ends Policies Advanced</th>
<th>Executive Limitations Policies Advanced</th>
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<tr>
<td>1 Long-Range Plan</td>
<td>1.0, 1.3.7</td>
<td>2.4, 2.4.2-2.4.5, 2.8.5.2, 2.8.5.6, 2.10.4, 2.10.5, 2.11.1.6.</td>
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<td>2a Paratransit Study</td>
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<td>2.4, 2.4.2-2.4.5, 2.8.5.2, 2.8.5.6, 2.10.4, 2.10.5, 2.11.1.6.</td>
</tr>
<tr>
<td>3 New Mobility Pilot</td>
<td>1.0</td>
<td>2.8.5.6</td>
</tr>
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<td>4 Terminal Planning</td>
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All Board Policies are available on TheRide’s website, within the Board’s Policy Manual.
Monitoring Progress

TheRide uses a two-tier method of monitoring progress and operational performance:

- **Monitoring Reports** – The Board requires that the CEO report on compliance with every Policy. These "Monitoring Reports" provide detailed interpretations of Board policies and evidence of compliance. These reports are provided at least annually and more frequently at the Board's request. All these reports are available on TheRide's website.

- **Operational Reports** – The CEO and staff provide a variety of detailed reports on specific aspects of TheRide's internal workings. Quarterly financial reports provide information on the financial health of the authority. Quarterly service reports provide a growing range of performance measures about how well services are operating. Specific projects are discussed in public meetings and meetings with the Board and committees. These reports are also available on TheRide's website.

In addition to these, we will add an Annual Report, that provides an regular overview of our progress on the Strategic Business Plan and other major matters.
This is TheRide’s first Strategic Business Plan. As a new corporate planning tool, it helps us align our work with the expectations from our Board of Directors, focus on high-yield activities, and chart a step-by-step path towards achieving results on behalf of our communities. The following appendices provide more detail, background and methodology.

Public feedback on this Strategic Business Plan is welcomed year round. Electronic comments on the Strategic Business Plan can be sent to TellUs@TheRide.org.

The Strategic Business Plan is the responsibility of the CEO who can make adjustments throughout the year as the context and situation of TheRide changes. The general timeline for the Strategic Business Plan and 2019 Budget is illustrated below:

Figure 4: Timeline for Strategic Business Plan and Budget Process

- **Board sets Vision**: 6/21/2018
- **Strategic Business Plan finalized**: 9/10
- **Public Feedback on draft Strategic Business Plan and Budget**: 7/16-8/20
- **2019 Budget approved**: 9/20/2018
Appendix A: Strategic Planning Process

Strategic Planning at TheRide

Strategic thinking and planning can be seen as having three main pieces: an envisioned future state, a sound understanding of the current situation, and a plan for how to get from one to the other. Each piece is important and reliant on the others.

1. **Envisioning a Future State:** Having consensus on a clear, defined future state gives a group a target toward which it can align its efforts, judge options, and measure progress. By seeking the community's values and identifying specific outcomes, the Board gives the organization the big picture outcomes we are working to achieve.

2. **Understanding Context:** A shared understanding of the current situation and context allows us to take steady aim at our targeted future. The CEO is responsible for producing an initial assessment of the current situation. They seek the Board's feedback to help ensure this understanding is shared and nothing important is missed.

3. **Tactics:** Tactics are “how” we will progress from our current state to the desired future state. They outline how specific initiatives will help move the organization towards its desired outcomes. The value they provide is in prioritization, aligning resources to goals, and in exposing the underlying decision-making logic for critique. This step is the responsibility of the CEO who again asks the Board for feedback early on.

Step 1 is about identifying the highest-order opportunities, or biggest picture. In contrast, steps 2 and 3 are often about breaking things down into their component pieces. Both approaches are necessary. The two illustrations below try to convey this process in different ways.
At TheRide, strategic thinking and planning is a cooperative effort between the Board of Directors, and the CEO and staff. The public is also invited to weigh in. The Board of Directors uses Policy Governance as a governance model, which helps clarify roles during the process. The planning process is renewed every year and drives an annual budget cycle, illustrated below.

Key steps are:

- **Board’s Vision**: Each year the Board updates the outcomes they expect of TheRide (Ends Policies). This occurs in the first and second quarters of the year (Q1-Q2).

- **CEO Strategic Planning**: The CEO interprets those outcomes, reviews the agency’s situation, and develops a roadmap for making the outcomes happen. The Board requires that the CEO create a strategic plan (Policy 2.4) which aligns the organization’s efforts to achieve the Board’s direction (2.4.2), incorporates longer-term considerations (2.4.4), contextualizes decisions (2.11.1.6.1), and ensures financial stability (2.4). The CEO presents a preliminary Strategic Business Plan to the Board and public for feedback and advice (2.11.1.6 and 2.10.4). The CEO then finalizes the Plan (Q3).

- **Annual Budget Development**: The CEO and staff then develop a recommended annual budget for funding short-term implementation. (Q3-Q4) The Board then discusses and approves an annual budget (Policy 3.2.7). (Q4)

- **Implementation & Monitoring**: Staff implement the plan detailed in the annual budget. Staff also provide the Board with regular monitoring reports on policy compliance and operational performance.

- **Annual Report**: A year-in-review summation of the progress made by the agency.

The Strategic Business Plan is part of a hierarchy of plans, and acts as an interface between the Board’s directions, and the operations of the organization. In addition to serving as the basis for each annual budget, the Strategic Business Plan may call for additional plans and efforts.

Business planning shares the same 10-year planning horizon as the agency’s rolling capital plan to facilitate alignment. However, it is not a static “10 Year Plan” and uses longer time frames when appropriate.

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4 More about the “Policy Governance” approach can be found on-line and on TheRide’s website.
Board’s Vision

The Board of Directors establishes the overall direction of the agency with a clear set of outcomes laying out what the agency is to achieve, for whom and at what cost (Ends policies). Additional policies empower and limit how the CEO and staff can pursue those outcomes (Executive Limitations policies). Together, these policies are the equivalent of a vision for the future and provide the direction for the strategic business planning process.

The following are the Board’s current outcome statements:

1. **AAATA exists to provide access to destinations throughout the Ann Arbor-Ypsilanti Area for increasing numbers of residents, workers and visitors via transportation options that contribute to the Area’s social, environmental and economic vitality at a cost that demonstrates value and efficient stewardship of resources.**
   
   1.1. **All residents of the Area can participate fully in society without a personal vehicle.**
   
      1.1.1. People with low incomes can afford to travel in the Area.
      1.1.2. People, including those with disabilities or mobility impairments, seniors, minors, and non-English speakers, have equitable access to opportunities in the Area.
      1.1.3. People with access to a personal car find public transit to be an attractive alternative.
      1.1.4. Passengers are highly satisfied with public transportation services that are safe, reliable, courteous, comfortable, convenient, and fast.
   
   1.2. **The Area’s natural environment is enhanced.**
   
      1.2.1. The Area’s overall transportation system minimizes energy use and pollution.
      1.2.1.1. The Area’s carbon footprint is reduced
      1.2.1.2. The Area’s air is cleaner.
      1.2.2. The Area’s natural resources are conserved.
      1.2.2.1. Land development can become more compact and walkable in part because of transportation options.
      1.2.2.2. Agency operations make efficient use of energy, water, materials, and other natural resources; and minimize waste.
   
   1.3. **The Area prospers economically.**
   
      1.3.1. Workers and students can access employment opportunities without need of a personal vehicle.
      1.3.2. Employers have access to a diverse labor pool.
      1.3.3. Visitors have access to the Area.
      1.3.4. The Area’s economy grows despite limited parking and auto congestion.
      1.3.5. The Area is connected to the Metro Detroit region.
      1.3.6. Local leaders are aware of the contribution public transportation makes to the community.
      1.3.7. The Authority will remain economically viable in the long term.

The Board has the right and duty to change the Ends policies whenever they see fit, thereby adjusting the strategic trajectory of TheRide.
**Business Considerations**

The Board has created another class of policies, Executive Limitations Policies, which guide the CEO by outlining practices that would be unacceptable. This empowers the staff to use their professional judgement in how to pursue the Board’s stated outcomes while ensuring oversight and fiduciary control. One key benefit of this approach is greater speed in achieving the desired outcomes. Examples of key Executive Limitations policies include:

- Ensure passengers and customers are well treated.
- Ensure staff are well treated and that TheRide is an attractive employer.
- Ensure that the Board, riders and the public have opportunities to shape the agency’s future direction.
- Ensure Transparency and Accountability.
- Maintain the financial health of the organization. Do not risk fiscal jeopardy.
- Maintain the assets of the organization.
- Compliance with all applicable laws. (Numerous other local, state and federal laws also enable and constraint what TheRide can do.)

**Public & Stakeholder Input**

TheRide welcomes and invites public and stakeholder feedback into any part of the decision-making processes (strategic planning, budgeting, operations planning, service delivery, etc.). There are three types of feedback that we are specifically looking for:

- **Outcome Feedback:** Has the Board of Directors identified the correct outcomes that TheRide should be trying to produce? This is the highest-level feedback and deals with WHAT IMPACT TheRide creates, for who, and at what worth. The Board uses this feedback to help develop policies and set the overall direction. Examples include: populations or goals that may be unrecognized, amount of spending, level of benefit, cost-effectiveness or cost/benefit. This feedback can be provided directly to the Board at any time. This can be done at monthly Board meetings or periodic Board outreach exercises. Emailed comments for the Board can be sent to the CEO (below). Comments can also be mailed to: The Board of Directors    2700 S. Industrial Hwy.   Ann Arbor, MI 48104.

- **Strategic Business Plan Feedback:** Is TheRide organizing itself properly to achieve the outcomes identified by the Board? Are we contextualizing our situation properly? Are we making any erroneous assumptions? Are the projects and initiatives listed the ones you think we should be pursuing? Are the tools/services we are using the best way to achieve the Board’s outcomes? This sort of feedback is best provided during the development of the Plan but can be provided any time directly to the CEO’s office: (734) 794-1767 or mcarpenter@theride.org. Comments can also be mailed to: Chief Executive Officer    2700 S. Industrial Hwy.   Ann Arbor, MI 48104.

- **Planning Feedback:** TheRide takes feedback throughout the year on how services are designed, and makes incremental improvements. New projects and initiative typically have a public involvement process to solicit feedback. Electronic comments can be sent to TellUs@theride.org. Comments can also be mailed to: Deputy CEO of Planning    2700 S. Industrial Hwy.   Ann Arbor, MI 48104.
• **Customer Feedback:** How well did we serve you as a rider? Is there something about how services were delivered that you’d like to see change? Is there something that we could do better? Do you have suggestions for improvements to the services we provide or how we provide them? Examples include: my bus was late, the website was down, the terminal was dirty, etc. We are also happy to accept commendations for great service. This sort of feedback should be provided to staff as soon as possible so the issue can be addressed quickly. Electronic comments can be sent to (TellUs@theride.org). Comments can also be mailed to: Deputy CEO of Operations 2700 S. Industrial Hwy. Ann Arbor, MI 48104.

Interestingly, we often hear several types of feedback in a single conversation. Sometimes an initial point may reveal a more fundamental issue. We appreciate all the feedback the community provides and we endeavor to use those observations in the best possible manner.

**Establishing Priorities**

Every year TheRide receives many suggestions, ideas, proposals, and demands. The CEO and staff use a variety of tools to help assess, sort and prioritize potential courses of action. For illustrative purposes, some of these are briefly outlined below:

- **Strategic Alignment:** Does this idea help to advance the Board’s desired outcomes? Does it mesh with what we do, for whom and at what cost? Are we focusing our energy on future goals, or reacting and spreading ourselves too thin?

- **Roles:** Is the idea within TheRide’s legal mandate, or is it the responsibility of another group? Do we have direct control or can we only influence others? Is this idea more appropriate for another organization? Is partnering a possibility?

- **Risks:** What risks does the idea bring with it, now or in the future? Are those risks acceptable?

- **Value and Affordability:** Is this a good use of limited funding (cost/benefit, ROI, etc.)? What trade-offs are implicit or not immediately obvious? Are outside partners willing to provide funding? Do we have funding to pursue the opportunity?

- **Capacity:** Does TheRide have the expertise or resources to pursue this idea now or in the future?

- **Sequence and Readiness:** How ready is the initiative to proceed? Do other steps logically need to come first? Is there a risk of proceeding too soon? What are the impacts of deferral? Is this urgent to us and our goals, or to someone else?

In addition, staff use tools like this Eisenhower Matrix to help refine potential options into clear priorities.
Current Situation, Context & SWOT Analysis

While TheRide has considerable strengths and opportunities, there are also weaknesses and challenges to be acknowledged. For example, while the agency enjoys relatively stable funding, there isn’t enough to pursue all ideas. Our opportunity in response to this situation is to get better at prioritizing the resources we do have.

The Strength-Weakness-Opportunity-Threat analysis (SWOT) explores external factors such as social, economic, political, technological, regulatory, and environmental. Internal factors include operations, customers, innovation, technology, human capital, information, and organizational culture.

In summary, TheRide is a strong organization, and has a team that is improving itself every day. The productivity of the organization is expected to increase, creating more benefits for existing customers.

However, limited resources mean that any significant service expansion will require additional revenue. Simply maintaining existing services requires almost all resources. Given the limited resources, TheRide will not be able to pursue every idea that is suggested by the community, but can be better at focusing and prioritizing its decisions.

Before asking for additional funding from taxpayers, we would need to develop a new vision for services that has widespread community buy-in and support. Along the way, we need to continue to address opportunities to improve, make good partnerships and wise decisions, and navigate around numerous challenges in our environment.

The table on the next page illustrates many of these factors in more detail.
<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
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<tr>
<td><strong>Strengths &amp; Capabilities</strong></td>
<td><strong>Weaknesses (Opportunities for Improvement)</strong></td>
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</table>
| - Strong credibility & support in community.  
  - Strong relationships with partners. History of successful collaborations.  
  - Tradition of excellence in service delivery and business decisions. High rider satisfaction.  
  - Existing Resources & assets in reasonable condition.  
  - Relatively stable funding. Finances stable.  
  - Physical assets and equipment are adequate and in fair shape.  
  - A comprehensive array of multi-modal services allows us to serve many different needs.  
  - Engaged Board and staff.  
  - Strong commitment to community, especially underserved populations.  
  - Future-oriented and willing to innovate.  
  - Rapidly modernizing internal processes, clarifying roles and direction.  
  - Willingness to listen & strive to improve.  
  - Independent perspective. | - Maintaining existing services/infrastructure consumes most funding. Little left to pursue new ideas. Limited ability to raise additional funds. Would be easy to over extend ourselves financially.  
  - Can lose focus when pursuing too many ideas. Difficulty focusing on long-term goals.  
  - Rapid growth and changing needs are outstripping traditional leadership & management practices.  
  - Limited staff and organization capacity can be overwhelmed.  
  - Rapid change and natural resistance to change.  
  - New processes for setting priorities, accountability, transparency, general management, operations, and risk management are still being established.  
  - New processes for service planning still being established.  
  - Increasing demands on limited IT and operational infrastructure.  
  - Need for greater receptivity to new ideas. Need time to seek advice & incorporate ideas.  
  - The agency is not in compliance with several new Board policies:  
    - Asset Protection policies (Policy 2.8) not met due to deferred maintenance on facilities.  
    - Treatment of Staff policies (Policy 2.2) not met due to inadequate work rules and work spaces.  
    - Variety of other areas throughout policies 2.1-2.11 where improvements are needed.  
  - Limited ability to influence outside decisions (RTA, local land development) |
| **Opportunities Available** | **Threats & Challenges to Organizational Success** |
| - Technological disruption of transit industry.  
  - New technologies may create new options for mobility and access, communications, or more cost-effective options for services.  
  - Ann Arbor is a good location to take industry leadership position in new mobility.  
  - Demographics, economic and societal trends are changing.  
  - Population is growing and aging.  
  - Urban areas are growing more compact and need additional mass transit.  
  - Mobility needs are growing in suburban and rural areas as well.  
  - More transit-supportive land development could make accessing destinations easier.  
  - A new, comprehensive plan for transit could help focus community investments.  
  - Provide an exciting vision for the future.  
  - Organize, leverage and maximize resources and new technologies.  
  - Speed up implementation by starting with realistic plan.  
  - Help communicate value of public transit.  
  - Potential to expand services and/or funding.  
  - Could seek additional funding/resources via grants, partnerships, other sources.  
  - Could expand Authority membership/change enabling legislation.  
  - Could seek additional property tax investment.  
  - Rising property tax assessments in City of Ypsilanti.  
  - Advocate for outside decisions that support TheRide’s desired outcomes  
  - Influence outside decision-makers (land development, housing, transportation policy, etc.)  
  - Assume a leadership position in coordinating alternative transportation.  
  - Modernize internal management practices to become even more effective and efficient.  
  - Attract talented staff with intangibles, good culture, and opportunities.  
  - Maximize benefits to customers and citizens. | - Technological disruption of transit industry.  
  - New tech may reduce transit ridership, congest roads, fragment or privatize mobility.  
  - Growth pressures are straining resources and impacting riders.  
  - Crowding on buses impacts customer satisfaction. Growing demand for expensive paratransit.  
  - Traffic congestion slows buses and makes them less reliable.  
  - Difficulties connecting to metro Detroit.  
  - Bus fleet cannot grow because garage is full.  
  - Labor shortages (technical and professional staff) and rising costs for construction.  
  - Economic inequality, A2/Ypsi disparities, community affordability.  
  - Constrained funding and resources limit opportunities.  
  - Revenues tied to slow property tax growth. Inflation and rising costs eat away at new revenues.  
  - Risk of loss of funding (local millage, federal/state cuts) and unpredictable federal grants.  
  - Desire to minimize passenger fares.  
  - Many travel needs lie outside our geographic service area and taxing jurisdiction.  
  - Resource-constrained partners & a sometimes zero-sum environment.  
  - Outside pressures/demands can divert TheRide’s attention.  
  - Possible loss of autonomy or funding to RTA.  
  - Competing outside demands for TheRide’s resources.  
  - Dominant car-culture.  
  - Social attitudes towards transit.  
  - Auto-oriented land development. |